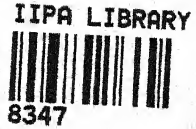
Beyond Collective Bargaining

Toward Understanding in Industry

Beyond Collective Bargaining

By

ALEXANDER R. HERON



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FOREWORD

IT IS HAZARDOUS to predict that a contemporary event will some day loom large in retrospect. History has a way of whittling down the proportions of developments which, at the time of participation in them, seem to promise very great impact upon the shaping of the future. History has a way, too, of finding deep significance in an event which may have seemed quite unspectacular to contemporaries.

Hence one hesitates to say that the year 1947, because it witnessed the enactment of the Labor-Management Relations Act, will possibly go down in history as a turning point in the evolution of industrial government in this country. And I know that Alexander Heron would be the last even to suggest that the appearance of this book might be an event approaching in importance the enactment of that statute. Accordingly, I shall say only that I believe both the statute and the book are products of earnest, constructive effort to furnish answers to vital questions, and that the publication of this book is no less timely than the passage of the Act.

It is heartening to reflect that the specialist is generally less worried by untoward events in the field of his special knowledge than is the man who lacks such knowledge. For this reason, those of us who cannot claim special knowledge in the field of employer-employee relations can take heart in the calm counsel of one who, like Mr. Heron, speaks with authority in this field. We may have thought, during those turbulent months preceding the enactment of the Taft-Hartley Act, that collective bargaining was developing into nothing less than a nationwide struggle, with the public interest lost sight of almost entirely. We may have wondered whether it was destined to smash its way along, growing ever more ruthlessly disdainful of the effects upon our economy, until a demo-

cratic people, rising in their righteous indignation, should be forced to abolish it altogether, and thus forfeit a good measure of democracy.

Congress has endeavored to provide an answer to that disquieting question. How satisfactory the answer is, the future must prove. There are those who protest that the Labor-Management Relations Act will prove to be a sham, or even worse. Others believe that it is an open door to a new and better era in industrial relations.

In this volume Alexander Heron asks us to realize that, however collective bargaining may be altered by current statutes of Congress and the state legislatures, the basic essentials of the employer-employee relation remain unchanged. Progress in this relationship will come as a result of clear thinking, patient effort, and sincere goodwill. In his activities, as in his writings, Mr. Heron has contributed those valuable qualities in generous measure. When the war came, the great corporation in which he holds a high executive post released him, at General Marshall's request, for special personnel work; as a Colonel in the Army of the United States, he served his nation well. Toward the war's end, when the Governor of California impressed him into service as Director of Reconstruction and Re-employment, he served this commonwealth with equal vigor and efficiency.

For some years Alexander Heron has been Consulting Professor of Industrial Relations in the Stanford Graduate School of Business. Thus I speak as a colleague in expressing my belief in the high value of this, the third book in Mr. Heron's series. Like its predecessors, *Sharing Information with Employees* (1942) and *Why Men Work* (1948), it deserves careful and thorough reading not only by men of management, but by all those concerned about the future of our industrial civilization.

J. HUGH JACKSON

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INTRODUCTION

COLLECTIVE bargaining has occupied a great deal of the attention of American industrial management in recent years. Even some of the mechanical provisions of laws, or particular practices of collective bargaining agencies, have been allowed to obscure the vision of management.

A penny can be held so close to the eye that it will black out the full moon on a clear summer night. A law requiring or regulating collective bargaining can be held so close to the eye that it seems to be collective bargaining itself. A contract with a union, the demands of union negotiators, a strike, or even a single union spokesman, can loom so large as to obscure the vastly greater area of human relations in our working lives.

There are a great many relationships involving employees and employers which are, and always should remain, beyond collective bargaining in their nature. They exist at the same time as do collective bargaining relations. Their character is such that they cannot be effectively governed by contracts or prescribed by bargaining.

There is another great structure of relationships which lie beyond collective bargaining in time. They are relationships that need to be organized, because they require the organized understanding and co-operation of many people, both employees and employers. They are relationships that are constructive, creative, and dynamic, in contrast to collective bargaining relationships, which are essentially restrictive and protective. Their organization is almost impossible until there has been mutual acceptance of both the values and limitations of collective bargaining. After that mutual acceptance, there is an easier road to the organization of these other relationships.

This book presents an appeal for perspective. In perspective, the problem of collective bargaining must be viewed realistically as to its size and its nature. It must be so placed that it will not obscure the really boundless field of human relations in industry. In perspective, our vision will include the two great areas beyond collective bargaining: the one which is beyond it in character, the other which is beyond it in time.

I

WHAT IS COLLECTIVE BARGAINING?

In two recent opinion surveys both the expert directors and the sponsors were shocked by the discovery that most people do not know the meaning of the words "collective bargaining." More than five people out of six have no idea what the term means. One person out of six or seven has some idea, but frequently an incorrect idea.

There has been no lack of publicity on the subject, to account for this general lack of knowledge. The right to "bargain collectively" appeared in federal law in 1933, in the short-lived National Industrial Recovery Act. For more than a decade, the term "collective bargaining" has been prominent in the news. It has been the subject of weeks and months of debate in Congressional committees and on the floor of the Senate and the House of Representatives. It has appeared in briefs and has been heard in arguments before federal courts, probably in every judicial district in the United States.

Collective bargaining has furnished the subject matter for thousands of pages of printed material in hundreds of books, magazine articles, and pamphlets. The words have been used in presenting facts, alleged facts, and emotional appeals, through the medium of display advertising in newspapers with combined circulation figures running into the tens of millions.

The written and oral references to collective bargaining came from such varied sponsors that no group of people in the community should have been beyond their reach. If the speeches and publications had all been sponsored by such an organization as the American Federation of Labor, it would

not be surprising if they had failed to reach the great mass of farmers, unorganized workers, business men, and housewives. Similarly, if the National Association of Manufacturers had been the only agency talking about collective bargaining, it would not be surprising if the great majority of workers had not been listening to the discussions.

The flood of books, pamphlets, advertisements, and radio talks dealing with collective bargaining have been sponsored by so many different agencies that the combination of all of them should have reached every identifiable group. The discussion of collective bargaining has been carried on by spokesmen and writers for the National Association of Manufacturers and the American Federation of Labor, the Chamber of Commerce of the United States, and the Congress of Industrial Organizations. It has been conducted by college professors, ministers, politicians, employers, judges, union organizers, and just plain people.

And yet the great majority of the adult population in the United States has no idea what collective bargaining is, not even a mistaken idea. If this seems incredible, we need only to compare it with the situation relating to the Marshall Plan. Months after Mr. Secretary Marshall made his proposal—after sixteen nations of Western Europe met for weeks to lay the framework for the Plan, and received front-page publicity in American newspapers day after day; after Congressional and other governmental committees had spent months in study of the Plan, and after Generalissimo Stalin and Agriculturalist Wallace had bitterly denounced it—after all these, a public opinion survey found that only a small minority of the American adult population had any idea whatever as to the meaning or nature of the Marshall Plan.

It happens that collective bargaining has become one of the most important features of our economic way of life. For most Americans, it has a bearing on the practical problems

of living roughly comparable to some of the essential implements in our political life, for example, universal suffrage, the taxing power of Congress, and the judicial powers of the Supreme Court. Whether we live in the city or on the farm, whether we work for wages or own grocery stores, we cannot live through a single day without experiencing some of the effects of this process called collective bargaining. Most of us have never engaged in collective bargaining, either directly or through representatives. Extremely few of us have ever read even one of the federal or state laws relating to collective bargaining, or examined a labor agreement arrived at by collective bargaining. In spite of all this, and in spite of the fact that more than eighty percent of us have no idea what the words mean, we are living in the age of collective bargaining. Our lives are influenced by it in somewhat the same way that they were influenced, twenty years ago, by the speculative excesses of the New Era.

A group covered by one of the opinion surveys mentioned above, demonstrated that their lack of understanding of the term collective bargaining should not be interpreted as a lack of intelligence, or as a lack of general understanding. To a carefully selected and corresponding sample of the same population group, in the same locations, the following questions were presented:

Do you think the unions around here are trying to do what their members want, or not?

Do you think the unions are getting along well with the people who run the industries around here, or is there quite a lot of trouble?

If they are getting along well together, who do you think deserves the credit—the unions, the people who run the industries, or both?

If there is a lot of trouble, who do you think is to blame for it—the unions, the people who run the industries, or both?

There was no lack of understanding of these questions. There was almost no uncertainty. There was a positive and intelligent expression of opinion on each of the questions, and the opinion was usually reconcilable with the known facts. The understanding, the definiteness of opinion, and the general intelligence of the opinion were consistent throughout all classes of the population—old and young, men and women, union and non-union, high and low in education and in economic status.

These questions deal with the principal elements in the practice of collective bargaining. The contrasting experience between the lack of understanding of collective bargaining and the almost universal understanding of what might be described as union relations should be a lesson for those who surrender themselves to what Stuart Chase has called "the tyranny of words." If we hope to understand each other, and if we hope to have most people in the community understand us, we must use words which have a definite and widely accepted meaning. If we hope to talk to the taxi driver and the city councilman, the minister and the owner of the picture show, the janitor and the insurance salesman, it is a little bit silly to expect them to study our words so that they can understand us. It is our job to get acquainted with the words which these people know and understand, and to express our thoughts to them in their words.

Within the group which claims to know what collective bargaining means, about fifteen percent of the adult population, there is still a substantial amount of misunderstanding and ignorance. We may disregard any discussion of the man who thinks it is the effort of a collector to arrange for installment payments on his unpaid doctor bill, or the man who thinks it is the business of buying collections of antiques for a museum. Our serious attention can go directly to the intelligent adults who think that collective bargaining is the relationship between employers and employees, or that

it is a gradual replacement for the American system of management and profits. Their very closeness to the activities of collective bargaining has led many of these intelligent adults to believe that collective bargaining blanks out all other phases of employee relations.

These pages are not likely to be read by anyone who does not already have his own idea of the meaning of collective bargaining. The words will be used in these pages without apology, in spite of the fact that most adult Americans do not attach any meaning to them. But the words are used with the full consciousness that they do not have a specific meaning, even among those of us who use them as the jargon of our alleged profession.

In these early pages, an attempt is made to set up a mutually acceptable outline of content and meaning for the phrase collective bargaining, so that the term can be used as a symbol through the pages which follow.

In all the pages following, a more earnest attempt is made to point out that the phrase collective bargaining can never contain a meaning as broad and as important as some of us have attributed to it, and that it can never serve as a symbol of the basic relationships in which American industry and business must function.

In the sense in which the phrase is used in this volume, collective bargaining means, first of all, a process in which there is a delegation of authority to negotiate, on behalf of a larger number of persons than are actively engaged in the negotiations. If three high-school boys select one of their number to try to make a deal with the teacher, so that the three of them can leave school early on Friday afternoon to attend the football game, the selected spokesman is carrying on collective bargaining. It is collective because he has been delegated to speak for two other boys as well as for himself. It is bargaining because he must have some arguments, reasons, or considerations, sufficiently good to convince the

teacher that he should grant the requested permission to leave early.

Collective bargaining should be collective in ways other than the mere selection of one or more spokesmen as the agent or agents of two or more principals. It should be collective in the sense that the requests which he makes represent the agreed and collective desires of the group for which he speaks. In the case of the three boys mentioned above, it is necessary that they have generally agreed on several points:

First, they want to go to the game.
Second, they cannot go to the game unless they can catch the three-o'clock chartered bus.
Third, they cannot catch the three-o'clock chartered bus unless they are permitted to leave school earlier than that.
Fourth, they have agreed to arrange their personal affairs so that all three of them can go directly from school to the bus.
Fifth, they have calculated that fifteen minutes is the time necessary to go from the school building to the bus station; therefore they are agreed that two-forty-five is the time at which they wish to leave the classroom.
Sixth, they are jointly willing to agree to spend an extra forty-five minutes in the laboratory on Monday afternoon to make up for the early dismissal on Friday.

Thus the spokesman for the three is properly delegated to represent the group. He is properly informed and instructed as to the common desire of the group. He is properly instructed and authorized as to what the group will offer in return for the granting of their joint request.

This is a pure and simple form of collective bargaining. It rarely exists in real life, either in the high school classroom or in the furniture factory, the department store, or the steel mill. The goal of early dismissal for the three boys might have been sought and accomplished in several other

ways. It may be helpful to discuss some of these ways and try to decide whether they are entitled to be described as collective bargaining.

A student from another high school, who had arranged for some of the boys in his class to be excused early, might have come over to talk to the three boys in our high school. He might have volunteered to go and talk to the teacher, to ask him to excuse our three boys because the teacher at High School No. 2 had made a similar arrangement.

The operator of the chartered bus might have tried to sell tickets to the three boys and found himself blocked by the fact that their class schedule would prevent them from leaving early enough to catch the bus. He might have then gone to the teacher to ask for early dismissal for the three boys. His argument would probably include the fact that the boys from High School No. 2 were being dismissed early, that he had arranged the special chartered trip on the assumption that he could fill his bus, and that he had saved three seats for these three boys.

Another possibility would be that the owner of the chartered bus might go directly to the teacher and negotiate the early dismissal, then go to the three boys and say, in effect: "Look, I fixed it so you can get out of class at two-forty-five so you can go on the special bus to the game on Friday afternoon. Here are your bus tickets. That will be one dollar each."

Obviously, any one of these methods, or any one of several other methods, might accomplish the identical result: three boys excused from class at two-forty-five, catching the chartered bus at three o'clock, seeing the football game, and paying one dollar each for the transportation. But just as obviously, the first method is the only pure and simple example of what we mean by collective bargaining. And yet, a very large proportion, possibly a majority, of the union-

management negotiations in American industry before the passing of the Wagner Act were conducted in a manner closely resembling the last example.

When the law-makers of the nation adopted the so-called Magna Charta for American Labor, the National Labor Relations Act, they seem to have reflected a naïve concept of collective bargaining. They concentrated their attention on the protection of the right of employees to organize and to have representatives of their own choosing. Both the law itself, and the obviously distorted practices which grew up in its administration, did an excellent job of protecting this right against any interference by employers. Both the law and its enforcers failed and neglected to protect this right against interference by other persons. This failure and neglect are excusable in the light of the actual provisions of the law. But in the process of seeing that this right to be represented was protected against any interference by the employer, there were scores of systematic practices and hundreds of discretionary acts which definitely assisted other parties to interfere with the free choice of representatives. The witch hunt for employer influence or domination in an obviously independent union is one example of the systematic practices. Probably half the employers who went through the inquisition of unfair-labor-practice charges can give examples of local activities through which the enforcement agents assisted a would-be union spokesman to override the real desires of employees in the choice of a bargaining agent. Local and international unions, both CIO and AFL, have built a voluminous record of evidence in the files of the National Labor Relations Board, and of the federal courts, alleging such acts of discrimination, resulting in the inability of certain groups of employees to exercise their free choice as to representation.

The first essential of collective bargaining was, therefore, not universally achieved by means of law. Probably millions

of employees who are covered by union agreements today, were not represented, at least in the first instance, by a union or a spokesman selected by their free choice.

On the second essential of pure collective bargaining, the structure erected on the foundation of federal law is even more faulty. The writers of the law evidently believed that after a group of employees had selected a representative, the group would instruct that representative to present demands, requests, and commitments which expressed the will of the group as evidenced by a majority vote or the equivalent. The fact that this did not prove to be the case is no ground for indictment of the unions which represented the employees, either as to their good faith or good judgment.

Both as a result of the workings of the Wagner Act and as a result of the natural development of the union movement, most unions are not isolated and independent local organizations. The Wagner Act set up a difficult barrier against the certification of an independent local union. The long experience of the labor movement had already demonstrated that such an independent local union was usually an ineffective agent for its members, or a detriment to a larger group of workers in related occupations. Even without employer influence, it was likely to be poorly informed as to the programs and needs of other workers.

Recognizing that most unions are affiliated with other unions, usually constituting an international union, it is obvious that all the affiliated locals within the international have certain common interests. These common interests are such that they do not permit the unlimited exercise of local option or local autonomy. The general advantage of the members of the international union as a whole could be disastrously undermined by the divergent desires of several of the locals. A lack of consistency on certain issues, as between the various locals, could be an effective weapon for retarding or weakening the entire union. This applies not only to the

interest and welfare of the individual members of the union, but to the important issues involved in the political survival of the organization.

A certain group of the employees of the General Gadget Company may have selected an international union of the craft type to represent them. They may have made this selection freely and deliberately, because they are convinced that this union represents a grouping of workers whose skills and occupations are similar to their own. They have organized a local and received a charter from the international, or they have joined a local already in existence, whose members work for several other gadget companies.

These employees of General Gadget Company may have thought and talked for a long time about the wages, hours, and working conditions which they wanted. After their absorption into the international union, or into the large local union, they may attempt to tell the business agent what they want from their employer. In a great many cases, it becomes the duty of the business agent to explain to them that they are badly mistaken about what they want. If they want a minimum rate of $1.25 per hour, when the standard rate for the rest of the local is $1.35 or $1.15, they must change their minds on what they want. The demand on the employer is going to be for the standard rate, not for some rate which represents the half-baked judgment of the newly affiliated group.

Similar adjustments may have to be made between the desires of the local group and the standards of the large local or the international, on such subjects as paid holidays, paid vacations, sick leave, standard hours, night shift differential, union security, ratio of apprentices, and an infinite number of other issues. It is the exception, rather than the rule, when the representatives chosen by any group of employees for purposes of collective bargaining are able and willing to carry to the particular employer a set of demands

which represents the desires of his own employees, either completely or primarily.

In spite of all the adjustments, modifications, and delusions which are inherent in its practice, collective bargaining in theory is "the process of a freely chosen spokesman presenting to an employer the freely determined desires of his own employees. It includes the necessary authority to make certain commitments on behalf of those employees, in return for the granting of their expressed desires. It includes an equally important and equally logical authority to indicate and execute certain sanctions on behalf of the employees, if their requests are not substantially granted; in other words the authority to say that they will not work without this or that set of terms."

Definition

In a later chapter there is a discussion of the subject matter which can be included within the scope of collective bargaining. Regardless of the subject, collective bargaining in its pure form possesses the characteristics described above.

II

THE SCOPE OF COLLECTIVE BARGAINING

COLLECTIVE bargaining is not industrial relations. It is not even a process for reaching agreements to cover the principal and most important relations between employees and employers. Its scope, its appropriate subject matter, includes relatively few of the relationships between employees and other employees.

The scope of collective bargaining has been materially changed during the years of our experiments with laws on the subject. It was limited and actually reduced by the provisions of the Fair Labor Standards Act. By that law, it became impossible for employers and unions to bargain on weekly overtime hours and overtime rates which did not equal the provisions of the law, in any employment affecting interstate commerce. Obviously, the statutory minimum wage, the forty-hour straight-time week, and the time-and-a-half overtime rate were better provisions than had been obtained by many employees through bargaining. But the fact remains that a certain area was in effect removed from the field of collective bargaining.

Section 7(*a*) of the National Industrial Recovery Act dealt with code provisions for the right of employees to "organize and bargain collectively through representatives of their own choosing." Section 7(*b*) made a modest attempt to define the subject matter of collective bargaining. It refers to "standards as to the maximum hours of labor, minimum rates of pay, and such other conditions of employment as may be necessary . . . to effectuate the policy of this title." The pertinent items in the policy seem to be these:

. . . to remove obstructions to the free flow of . . . commerce . . . to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices . . . to avoid undue restriction of production . . . to reduce and relieve unemployment, to improve standards of labor. . . .

The National Labor Relations Act gave no more practical help in defining exactly the subject matter within the scope of collective bargaining. It made specific reference to "the refusal by employers to accept the procedure of collective bargaining" and to the evils of "inequality of bargaining power." It cited the value of "friendly adjustment" of disputes over "wages, hours, or other working conditions." It declared a policy of encouraging and protecting workers in organizing and bargaining collectively "for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

Common sense gradually settled on the assumption that the scope of collective bargaining was "wages, hours, and working conditions," which was assumed to be reasonably clear. But the clarity disappeared, gave way to confusion and diversity, in actual practice. Many specific conditions were brought within the definition by certain unions and employers, as a matter of course, while the same subjects were definitely or tacitly held to be entirely outside the scope of collective bargaining by other employers and other unions. Probably no one has even ventured to explore the possible scope of collective bargaining for "other mutual aid or protection."

The Taft-Hartley Act placed definite barriers against the inclusion of certain subjects in certain forms of collective bargaining, and excluded other subjects from any collective bargaining. A "rank and file" union could not bargain on behalf of foremen on any subject. No union or employer could bargain on the subject of a closed shop. The forms of union security which could be negotiated, other than a closed

shop, were greatly limited as to substance and procedure. There could be no bargaining on a general check-off of union dues, nor on an individual check-off authorization to be irrevocable after one year.

Under both the Wagner and Taft-Hartley Acts, the meaning of "working conditions" is uncertain. The phrase obviously refers to some conditions other than wages and hours. It is almost generally assumed to include such matters as seniority considerations in layoffs. It was usually assumed to include rules for promotion to nonsupervisory jobs. There were disputes and strikes when employers refused to admit that it included work assignments, the number of machines per operator or of operators per machine, the number of helpers per operator, or the units of product per day. Employers logically lost these arguments. They had to face the fact that these were essential elements in any definition of "working conditions" and properly within the legal and logical scope of collective bargaining. But, of course, they retained the right to bargain over them in fact, and to refuse to concede demands which they considered unreasonable.

Some union contracts, arrived at by collective bargaining, have prescribed the location of entrances and time clocks. Others have provided that supervisors must not use abusive language in speaking to employees. Many have said that union officers, regardless of length of service, shall have seniority over all other employees. It is common to many contracts that any union member selected for a full-time union job shall have an automatic leave of absence, with the right to return to his regular job in one year. Such a clause often provides that he shall continue to accumulate seniority on his regular job while he is not working at it but at his union job.

Many contracts provided for re-employment of veterans, in terms identical with the federal law on the subject. Others have included terms for the re-employment of veterans, more

liberal than the terms of the law. It is not unusual to find a provision that the employer "shall observe all state and federal laws affecting safety and sanitation."

In a relatively small number of contracts, there are either general or specific provisions dealing with retirement plans. Other agreements include provisions for group insurance. There are occasional "deals" covering the use of physical examinations, either in the hiring of new employees or in periodical checkups on all employees. There are provisions relating to citizenship requirements for new employees, or disclaimers of connections with subversive organizations by all employees. Some contracts specifiy the allowance of time, sometimes paid for by the employer, to give each employee the opportunity to vote on election day. There are instances of specific permission to employees to absent themselves on certain religious holidays which are not business holidays.

The records of the War Labor Board during World War II throw an interesting light on many of the borderline subjects. Issues came before that Board in connection with disputes which threatened the war production effort, which were emotional, inconsequential, and impractical of solution even by the award of a tribunal exercising substantially the powers of a court of arbitration. Hundreds and possibly thousands of these minor and borderline issues impeded the work of that Board, at a time when its most efficient performance was needed to smooth the path of the war effort. Although that Board was the top labor disputes authority of the most important government in the world, its experience of being handicapped by these borderline or extraneous issues has a parallel in the large or small collective bargaining conference. The time, ability, and patience of negotiators on both sides are frequently consumed and wasted in dealing with such questions.

A typical experience of the War Labor Board gives a dramatic instance of such unnecessary burdens on machinery

set up for more important purposes. One serious dispute involved working conditions for long-distance truck drivers. Presented to the Board were sixty-two issues in dispute between the employers and employees. One of these issues dealt with the quality and character of the mattresses in the sleeping unit, where the second or relief driver sleeps while his mate is at the wheel.

In this particular case, it appeared that the War Labor Board by unanimous decision handed the whole case back to the parties to the dispute, for the elimination of this and similar minor issues. It is understandable that the Board found it necessary to draw the boundary at some place to mark the limits of "working conditions" coming properly under their jurisdiction, and that all the members of the Board representing management, labor, and the public, agreed that they could draw the line somewhere between "working conditions" and "sleeping conditions."

This is typical of the subjects which, in the minds of many employers, are in the clouded area, just inside or just beyond the scope of collective bargaining. If they are properly within the boundary, it is because they are "working conditions." If they are outside, it is because they are not "working conditions."

While there was a War Labor Board which had been substituted for the normal processes of collective bargaining, it was reasonable to expect the line to be drawn somewhere. When the normal processes of collective bargaining are at work the employer faces a different problem and a different responsibility. In bona fide collective bargaining negotiations, there is no impartial power to decide, either as to the agenda or as to the disposition of it.

It is probably poor tactics or a vain hope for any employer to contend that any phase of his relations and dealings with his employees will be found to be technically outside the meaning of "working conditions." He is on a weak

foundation when he refuses to discuss any condition which his employees seriously demand, if he must rely on the doubtful technicality that the subject is not one on which he is legally required to bargain. He can make a better investment of his time and intelligence by studying the reason for the demand. He cannot afford to continue any practice which creates dissatisfaction and resentment, merely by reason of his supposed ability to bar the subject from the bargaining table.

But there are positive and constructive reasons why many of these, and many more subjects of other kinds, should not be subjected to the formal procedures of collective bargaining. The very fact that they have not been satisfactorily handled, outside the process of collective bargaining, usually creates a difficult and militant attitude toward the normal problems of collective bargaining. Many of these subjects are, by their very nature, impossible of settlement, or agreement, or compromise. There is no language which can be incorporated in any labor contract which can solve some of these problems. And yet their injection into the discussions in the process of collective bargaining usually has a positive and unfortunate effect on the entire atmosphere of the negotiations.

Quite frequently subjects which are on the border line of propriety are injected into collective bargaining negotiations, as a matter of clever tactics. A skilled union negotiator has frequently accomplished his major purposes by advancing requests or demands on a number of subjects which he knows will not be accepted by the employer as proper subjects for collective bargaining. He cannot do this effectively unless he has some basis for the demands, some degree of dissatisfaction or discontent among the employees. On rare occasions the union negotiator will unexpectedly gain a concession by an employer which was not seriously desired by the union. But more frequently the union negotiator will abandon his

fringe demands one by one, reluctantly and almost tearfully. When the real bargaining has narrowed down to a final ten cents an hour difference in wages asked and wages offered, he is in a strong position to say:

"There is some point at which these representatives of your employees must refuse to be pushed around any further, and we think this is the point. We have sat here for days during which you have done very little except say 'No' to our requests. One after another, we have given up these demands for conditions which these workers want. We have certainly demonstrated our sincere desire to reach an agreement with you. We have certainly not made these concessions with the intention of giving up this very minimum demand on wages. I can say to you frankly that we did not expect you take advantage of our willingness to make these other concessions, to the extent of denying this last request. And I can say to you, Gentlemen, that you are not going to get away with it. We are at the end of our concessions. We are all through with being talked out of our demands."

The employer-negotiator who finds himself in this position is likely to find that his seat is hot. Regardless of the fairness or unfairness of their tactics, the union negotiators have been "smart." It is difficult to explain, either to employees or to the public, why the employer refuses to grant demand No. 12 after the union has given up demands Nos. 1 to 11, inclusive. The employer may know and say that items 1 to 11 were not proper subjects for collective bargaining and that they are subjects which cannot be settled by contract. That explanation is not likely to be convincing either to the workers, to the public, or to an impartial arbitrator.

In reviewing such a predicament, many an employer has come to the conclusion that there ought to be a law. He is required by law to engage in collective bargaining with his employees. There should be another law, to set forth specifically and in detail the subjects upon which he is compelled

to bargain. There should be a law to which he can point to justify his refusal to negotiate the quality of mattresses for truck drivers, a law which omits mattresses from the list of proper subjects for collective bargaining. Too often employers in such situations become parties to increasing the trend toward law discussed in chapter vi.

The old defenses against such tactics were fairly simple. Perhaps not applicable to mattresses, but definitely applied to union security, work assignments, qualifications for promotion, and a number of similar issues, employers have said with convincing dignity: "That is a subject which we cannot discuss here. It is a matter of principle with us." Most employers have gained an objective viewpoint of their own problems and their own behavior with the passage of years. Most of them are now ready to admit that whenever they said "No" on the grounds that "this is a matter of principle," they actually meant "this is something that we will not do; at least, we do not want to do it."

Another favorite device for limiting the scope of collective bargaining was to brand certain requests as "an invasion of the prerogatives of management." This was applied to subjects which were in fact not proper matters for collective bargaining. It was also, and perhaps more frequently, applied to demands which an employer was unwilling to grant, and against which he could not think of any better argument. Largely because they erected this fortification, which they called "the prerogatives of management," employers invited and challenged the unions to storm the fortress. It has been stormed. The wall has been pierced in a hundred places. The "prerogatives of management" which some employers once considered sacred have not all been abolished; but management has had to learn that it cannot decide for itself what its prerogatives are.

The scope of collective bargaining, both in theory and in practice, is a flexible and changing one. There is almost no

theoretical limit. As unions press for the inclusion of one subject after another, they arouse the opposition of employers against the extension of the bargaining area. As employers engage in this opposition, rather than in a constructive treatment of the conditions involved, they invite new administrative findings as to whether they, the employers, have refused to bargain collectively and in good faith, on disputed subjects. The past trends of these administrative decisions should convince employers that this is not an intelligent way to limit the scope of collective bargaining. The tactical resistance of single employers has resulted in administrative findings, frequently backed by court decisions, which have frozen additional subjects into the collective bargaining agenda for all employers.

There is an important lesson on the practical scope of collective bargaining to be drawn from the experience with the multiple-employer bargaining unit. One of the benefits of such units which has been largely overlooked is the tendency to limit the bargaining to issues that are common to all or many of the separate employer units. There is usually a logical willingness to exclude demands and debates on petty desires, annoyances, "gripes," and details of the daily relations within a single plant. Such items do not usually enlist the interest of the employee representatives from the other plants and companies. It is seldom necessary for an employer to point out that the temperature of the water in the showers at Plant B can hardly be allowed to take up the time of representatives from thirty local unions and thirty different employers. The larger bargaining unit tends to concentrate the bargaining on essential items of common interest. The small bargaining unit provides a better stage for dramatizing such items as the temperature of the shower water.

The only practical way to limit the scope of collective bargaining is to deal constructively with every borderline or extraneous subject before it is forced into the agenda of the

negotiations. The principal index of the propriety of the inclusion of any subject is the degree to which it can be dealt with by specific agreement and stipulation. This degree cannot be established by argument. Any subject which an employer honestly believes cannot be dealt with practically in the process of collective bargaining should be dealt with practically outside the scope of collective bargaining. Such a subject will be injected into the collective bargaining procedures only if it has not been dealt with satisfactorily elsewhere, through procedures involving frankness, tolerance, and co-operation. If any subject affecting the daily relations in the establishment is not dealt with satisfactorily within those daily relations, it cannot be permanently excluded from the scope of collective bargaining on the ground that it is not theoretically or legally within that scope.

III

COLLECTIVE BARGAINING INCLUDES STRIKES

A STRIKE in the process of collective bargaining, a strike marking an impasse in negotiations, must be considered with a first presumption that it is an appropriate move in the negotiations.

There may be a firm conviction in the minds of employers that the objectives of the strike are not proper objectives. There may be the fixed opinion that the demands which the strike seeks to enforce are unfair demands. There may be a firm belief that resort to strike action instead of continued negotiations is unwise and even arbitrary action by the workers, their union, or their leaders.

But there must be recognition that no moral stigma attaches to such a strike. There must be the premise that a refusal to continue at work, in the absence of any commitment to continue, is neither a crime nor an act of bad faith, no matter how unwise or unnecessary it may seem to employers, or to outsiders.

An illustration supplied by an old farmer has a lot of truth in it which should be recognized in our view of the strike which occurs in the process of negotiations. It seems that Jones owned a horse and a quarter acre of land. The quarter acre did not furnish full-time work for the horse, nor full-time feed for the horse or for Jones. Smith owned three acres of land and no horse. He made a deal with Jones to hire the horse for thirty days for two dollars a day and feed. On the thirtieth day, Jones opened negotiations with Smith on terms of hire for the next thirty days. Jones asked three dollars a day and feed. Smith refused to pay three dollars but offered two and a half. They could not agree, so Jones led his horse home—on strike.

Surely we and Smith can see no wrong in that, no moral ground for criticism of Jones, even if Smith's crops were at a critical stage. If Jones had pulled his horse out on a "quickie" strike during the first thirty-day contract term, we might all share Smith's indignation. But we recognize the right of Jones to withhold the work of his horse when he and Smith have no contract and have been unable to agree on wages and working conditions. Much more clearly we should recognize the right of Jones to withhold his own work when he and his employer have likewise been unable to agree.

In this oversimplified picture, there is one sharp-lined detail which can be validly transferred to the complex picture of employer-employee relations. It is the clear image of the refusal to continue work as a natural sequence, when negotiations fail to produce agreement on the terms and conditions of work. By this obvious parallel we can, and must, realize that adequate collective bargaining procedures contain the essential mechanism for the legitimate strike. Collective bargaining implies the threat of collective refusal to work.

By adequate collective bargaining procedures we must indicate procedures which provide or permit substantial equality of bargaining power. Without such equality, the organized workers cannot be in a position to risk the strike. Without the obvious ability to strike, to refuse collectively to work, organized workers cannot enjoy equality of bargaining power. The right of workers to organize and bargain collectively includes the inevitable right to withhold their work collectively.

Not only is this right to strike implicit in the right to bargain collectively, but this act of striking is made more practical and more probable by the guaranty of the right to organize and bargain collectively. The ability to strike effectively is one of the most important objectives of organization of workers into unions. In fact, it is probably the ultimate bargaining value assured to workers in any process

which protects their right to organize and bargain collectively.

Our first national legislation to recognize and guarantee this right to organize and bargain collectively was found in Section 7(*a*) of the National Industrial Recovery Act. It was not a comprehensive or self-executing law. It was merely a requirement that "every code of fair competition, agreement, and license approved, prescribed or issued under this title shall contain" the provisions recognizing and protecting the right of workers to organize, bargain collectively, be free from coercion, and to enjoy other related protections. Business, industry, employers, managements, if they desired the privileges to be obtained under a code of fair competition, must accord this right and protection to the workers in the industry covered by their code.

Section 7(*a*) stimulated an immense volume of organization and collective bargaining. Its short span of life saw relatively few major strikes, probably because of two important conditions. First, the quickly organized unions held no full treasuries to finance strikes, and their new and old members were not yet in any position to fill those treasuries. The second important condition was that employers and businesses which adopted codes of fair competition were too intent on promoting recovery, individually and collectively, to resist the reasonable demands of workers whose organization they had, in effect, invited.

But Section 7(*a*) fell with the rest of the National Industrial Recovery Act, when an unusual, unanimous decision of the Supreme Court declared the entire law to be contrary to the provisions of the Constitution. Employees who had organized under the supposed protection of the law found the supposed protection gone. Employers who had willingly or reluctantly seen their employees organized, who had willingly or reluctantly bargained with those employees, found themselves released from the supposed compulsions of their respective codes. Also, they found themselves deprived of the

privileges and protections of the codes, which had reconciled them to the recognition of the employee right to bargain collectively.

The sequence of events was natural. The unions which had been formed or expanded were forced to substitute economic power for the lost protection of the law, or wither and die. With their hot-house start, they had to grow strong and tough, quickly, to survive in the open air. Employers, many of them, welcomed their freedom from the obligations of Section 7(*a*). Improving business conditions lessened their grief over the loss of other code protections. Labor had a new strength, on paper, and had to prove that it could retain that strength without the props of the defunct law. A considerable number of employers were convinced that labor's strength was artificial, and that it should be minimized. The issues and the alignments for conflict were ready.

The conflicts naturally came. It is impossible to measure the relative importance of the open conflicts against the other movements which were going on at the same time. One was a scattered but large number of instances of complete or partial elimination of new unions. These usually included discharge of trouble makers, sometimes cuts in wages. The other, and probably much greater, movement was toward voluntary continuance of the recognition of unions by employers who had begun such relations under the commitments of the NRA codes. An important number of the collective bargaining relationships of today are the fruits of these mutually tolerant continuances of those relationships born under the Blue Eagle.

But there was confusion and conflict. We may here pass quickly over the Congressional struggles and final passage of the Wagner Act in July 1935, over the dramatic activities of the La Follette Committee, over the bad guess and bad taste of fifty-eight "greatest" lawyers who told us that the Wagner Act was completely unconstitutional and invalid, and by inference

suggested that it be ignored. Through all these stages the conflicts continued and even reached the incredible form of the sit-down; but in the midst of the conflicts, "Big Steel" surprisingly and peacefully signed up with John L. Lewis. We may pass quickly to the day in April 1937, when the Supreme Court of the United States affirmed the validity of the Wagner Act. From that day it was the law of the land. It was accorded immediate observance to a large degree, it commanded observance by zealous enforcement, but it never came close to the objective set forth in its own text. And it never could.

Most employers have had a very vague idea of the stated objectives of the National Labor Relations Act of 1935, the Wagner Act. They had a confused emotional belief that the real purpose of it was to help the CIO in its battle with the AFL, or perhaps to strengthen all labor unions. It is a reasonably safe estimate that not one percent of the employers in the United States read the law itself, or read the Congressional Declaration of Purpose, at any time between the date of the Supreme Court decision in 1937, and the discussion of the Taft-Hartley Act in 1947. Because the Taft-Hartley Act professed the same objectives as the Wagner Act, and professed to offer an improved machinery for reaching those objectives, business men and employers in 1947 found themselves looking more closely at the stated purposes of both these laws. No attempt is made here to justify the claim that Mr. Taft and Mr. Hartley did a better job than Mr. Wagner in charting the course toward this objective. Our interest here is concerned with a general misconception concerning the objective itself.

Stripped of legal language, argument, and oratory, the lawmakers in 1935 said, and the lawmakers in 1947 repeated, the following essential premises:

1. Strikes and work stoppages which affect (interstate) commerce result in a burden and interference on that commerce; the Congress is charged with regulating, and therefore with protecting, that commerce.

2. The refusal of employers to permit or recognize the organization of their employees, and to bargain collectively with their employees, has been a cause of strikes and work stoppages.

3. The guaranty of the right of workers to organize, and the compulsion on employers to bargain collectively with their workers, will tend to eliminate strikes and work stoppages.

Perhaps the numerical record of strikes in American business and industry, since the validation of the Wagner Act, is the best evidence of the fact that the medicine did not work the expected cure. It is not completely valid evidence, however. It needs to be explored as to circumstances. A scientific study would require the examination of each strike affecting interstate commerce, and the classification of each strike as to its causes.

The record shows that a very substantial number of these strikes resulted from the refusal of the employers to comply with the mandates of the National Labor Relations Act. This includes cases in which employers persisted in their interference with the rights of their employees to organize; cases in which organization had been effected but employers failed or refused to bargain collectively; and cases in which employers, rightly or wrongly, denied the application of the law to their particular enterprises. In all such cases, it cannot be said that the machinery for collective bargaining set up in the Wagner Act caused these strikes. In fact, the zealous enforcement of the Wagner Act provided a police weapon which the organized employees could have used, and should have used, in preference to the strike. However, it is perfectly clear that the statutory specifications and the administrative orders based on them created and defined clear-cut causes for disputes and resultant strikes.

The records maintained by the United States Department of Labor show that the great bulk of important strikes be-

tween 1937 and 1947 were not those caused by noncompliance of employers with the provisions of the Wagner Act. The overwhelming majority of the workers who engaged in strikes during this period found themselves "hitting the bricks" against employers who had complied with the provisions of the law. They found themselves striking against employers who had not interfered with the organization of their workers, who had not refused to bargain collectively with the representatives designated by their workers. They found themselves on strike because the employer was actually bargaining collectively with them, and in the course of the bargaining, had refused to grant certain of their bargaining demands. The fact that they were organized gave them the machinery and the power to bargain collectively with their respective employers. It also gave them the machinery and the power to strike as a means of emphasizing their demands and of demonstrating their bargaining power.

That is the lesson from the record. An examination of the theory leads to the same conclusion. A strike is a very difficult accomplishment for unorganized workers. Such strikes have been precipitated by intolerable working conditions, or intolerable attitudes or actions of the employer, or inflammatory leadership. They are rare and unusual, and their success is even more rare and unusual. A real strike is an organized collective refusal to work. By its very nature, it requires organization in advance.

A strike is a conspiracy. It was once punishable as a criminal conspiracy. Even before the Norris-LaGuardia Act, the Recovery Act, or the Wagner Act, the judicial attitude had been so greatly modified that a conspiracy to strike was no longer a criminal conspiracy. The Wagner Act took the final step by guaranteeing to workers the right to organize their forces in a way that provided the essential technical organization for a strike.

Collective bargaining by its very nature includes the

strike. In its ideal form, collective bargaining is a process of discussion between representatives of employees and the employer, in an attempt to agree upon terms on which the employees will work for that employer. The attempt to agree upon terms automatically assumes the possibility of failure to agree. It is a logical presumption that if workers cannot agree with their employer as to the terms upon which they will work, they will not work. When they act as a group on the decision not to work, that is a strike. The theory of collective bargaining includes the strike as a natural and possible step in the bargaining process, in 100 percent of the negotations. If 99 percent of the negotiations result in an agreement without a strike, that record is not due to the fact that the collective bargaining negotiations were compulsory. It is, rather, due to the fact that there is so much common sense, tolerance, and intelligent reasoning demonstrated by workers, their spokesmen, and employers.

The strike which occurs in the process of collective bargaining is not beyond the technical or moral scope of collective bargaining. It is part and parcel of the process of collective bargaining. It is one of the principal units in the weight of argument on the side of those who bargain on behalf of the workers. It is their final right to refuse to work on terms which are not acceptable to them.

The effective measures to avoid strikes are not to be found in any legislation that protects the right and increases the power of workers to organize and to bargain collectively. They are not always to be found in the actual conduct of the negotiations and are never found entirely in the process of negotiations. They are measures which lie beyond the scope of collective bargaining, in the daily working relationships, in traditions of fair dealing, and, above all, in the mutual understanding of facts, conditions, problems, and attitudes, which adds up to the mutual recognition of mutual interest.

IV

CRAFT UNIONS AND COLLECTIVE BARGAINING

It is a mistake to identify collective bargaining as we know it today with the relationships which existed a hundred years ago between employers and the craft unions. The essence of those relationships has continued until now, and will continue, within certain trades and in certain situations. As a result, there are hundreds or thousands of relationships between employers and unions today which are essentially different from the correctly designated collective bargaining relationships.

In chapter x, reference is made to the early condition in which the trade union was the only practical source of supply of skilled workers in its particular trade. It was much more than this. Historians have devoted serious and worth-while effort to tracing the evolution from the guild to the craft union. We know that the emphasis of the guild was primarily upon the interest of the master workman, corresponding to the economic unit which we know as the contractor, subcontractor, or shop owner. To a large extent, at the height of the guild's importance, the fully qualified workman at any skilled craft was likely to have the status of a self-employed or independent operator.

With the full sanction of law, sometimes under the compulsion of law, the qualified craftsmen associated themselves in the guild. Through the guild they united their efforts for many different types of mutual benefit. They also united their efforts toward the discharge of certain duties imposed upon them by law.

Such a guild dealt with matters of compensation for service, of course. It naturally dealt with the training of future

and younger craftsmen, and many times operated to impose artificial restraints on the number admitted to the trade. It dealt with problems which, in our modern vocabulary, would be described as taxation, licensing, codes, and standards. It supplied a social nucleus for its members and their families, with the assurance of definite status. In one outstanding instance, that of masonry, it evidently contributed to the evolution of a purely social and fraternal unit, in which the tools, activities, and vocabulary of the craft became the symbols of philosophical truths and beliefs.

It is reasonable to speculate that the development of the early craft unions was a response to the very gradual change whereby most of the fully qualified craft workers found it no longer possible or desirable to be self-employed. The status of journeyman worker is recorded in the Middle Ages but his status was not such as to command general attention until the late eighteenth century. The story of Benjamin Franklin reflects a condition in which the journeyman was not so fully qualified in skills as the master workman, and where the average journeyman seemed to consider himself as being on the road to the status of master workman. In other words, he was moving toward the degree of mastery of his craft which would permit him to become self-employed.

Sometime during this transition, the balance swung toward the recognition of journeymen as a permanent unit in most of the trades, the recognition of journeymen as those who had attained a status complete in itself, rather than a transition status, a sort of steppingstone to the ultimate rank of master workman. It is reasonable to assume that the early craft union was an expression of this recognition on the part of the journeymen, and a tool for uniting them in the protection and advancement of their mutual interests. With this concept, we realize that the defensive and offensive tactics of such an early craft union were automatically directed against the master workmen. It was to the master workmen that most

journeymen were required to look for opportunities to exercise their skills and earn wages. It was to the master workmen that apprentices must look for indenture opportunities, the chance to acquire the skills which would make them journeymen.

In the course of this change, the stage is reached where the master workman is no longer the only possessor of the complete skills. He is no longer purely a self-employed workman. He is increasingly required to recognize the completed skill of the journeyman, and he increasingly becomes the employer of journeymen with skills usually equal to his own. The journeyman has first shared with the master workman, and then taken over from him, the need for a status which will permit him to command recognition of his skill and his wage value.

The function of the guild was as much social as economic. The function of the early craft union was less social and chiefly economic. To perform its economic function, it built the same monopoly of skilled artisans which had formerly been the characteristic of the guild. As long as the guild of master workmen continued to be a compact entity, there was something closely resembling the process of modern collective bargaining. The representatives of the early craft union spoke for the journeymen workers collectively. The guild or its equivalent spoke for the master workmen collectively.

By the end of the nineteenth century, the guild or its equivalent in the United States had largely disappeared. It had by no means gone out of existence, but it had frequently been obscured. The growth and spread of population had created attractive opportunities for thousands of independent contractors who were not always artisans, and who were not affiliated with each other. In most cities, and in most trades, some type of guild continued, but it no longer included all of the employers or contractors in the trade. In many situations it became possible for the craft union to set the terms of em-

ployment for its members, almost by unilateral action. Where the action was not entirely unilateral it was in fact unilateral as far as a considerable number of employers were concerned.

Although the union of teamsters is not a typical craft union, its method of establishing wages, hours, and working conditions is typical of this phase of craft union activity. In most cities, a central body representing the unionized teamsters conducts negotiations with an association of employers engaged in commercial draying, or what is known as "for hire" trucking operations. Up to this point, the processes are substantially those of conventional collective bargaining. But after the determination of the standard wages, hours, and working conditions in this way, the union generally imposes the same conditions upon a much larger group of employers, those who use trucks and teamsters in their own operations other than hauling for hire. For instance, most wholesale houses have little influence, little opportunity to bargain collectively, on the determination of the wages, hours, and working conditions of their truck drivers.

In some trades and in some cities, the determination of the wages, hours, and working conditions for a particularly well organized craft is completely unilateral. This may be interpreted as the possession of a dominant bargaining power which enables the craft union to by-pass the process of proposal and counterproposal, demand and rejection, and eventual agreement. The practical effect of it has been to condition much of the craft union leadership for the determination of such questions as wages by unilateral action. The member of the craft union who is offered employment will refuse to accept it if the wages are below the standard set by his craft union. That standard may have been set through the process of collective bargaining with some other employer or some group of employers. As far as any other individual employer is concerned, he has no opportunity to engage in

collective bargaining and has had none in the past, unless he has been a member of the possible employer group.

A typical situation might be that of a sash and door manufacturer who finds it necessary, for the first time, to employ a full-time maintenance electrician. He may recruit his electrician by advertising, or by calling an employment office. If the craft is well organized, he may find it necessary to call the union secretary. Whether he talks with the union secretary, or with an individual craftsman who applies for the job, he has no chance to negotiate on the terms of employment. He is told that the union rate is so much per hour, the union schedule is so many hours per day and so many days per week, certain holidays not worked are to be paid for, certain work carries a premium rate, and so forth. He can take it or leave it. The rate may be more than he considers reasonable. It may be such as to conflict with his general wage structure in his sash and door plant. The standard hours may not coincide with his operating hours. If so, it is unfortunate for him; but as a rule it is useless for him to try to negotiate any modification of the standard practices established by the local union.

The early minutes of a local union of painters organized fifty years ago give a revealing picture of the typical attitudes and habits of a purely craft union at the turn of the century. At its first meeting, the local was organized with forty-four members present. A committee of five was appointed to draft resolutions, which it did during a thirty-minute recess. The forty-four members present signed the resolutions, four of which set definite standards for working hours, overtime and apprentice ratios. Another resolution mildly suggested collective bargaining by saying, "That we request the master painters" that the wages of journeyman painters be advanced to designated figures. A committee of three was appointed to "confer with the contractors, and present these resolutions and request their consent to them."

At the second, third, fourth, and fifth meetings there were committee reports to the effect that the contractors were stalling on their reply. At the sixth meeting the committee reported that the contractors had declined to sign the resolutions adopted by the union, and had adopted some resolutions of their own, which the union was unwilling to sign. At this meeting a new committee was appointed to wait upon the contractors and was given power to act on behalf of the union.

At the seventh meeting, the new committee reported that "after arguing the question to the utmost, the committee drew up new resolutions and accepted the report from the bosses." The new resolutions then became the standard practices of the local. (In this instance the bargaining power of the new union was so weak that its members accepted the terms set unilaterally by a small group of employers.) The following meetings almost invariably contained reports of efforts to persuade individual employers to sign the union resolutions, reports of disciplinary action against members of the union who worked at wages below the standard set forth in the resolutions, and plans for refusing to work for employers who did not observe the union standard, accompanied by efforts to publicize the delinquency of such employers. One of these efforts involved going as far as 750 miles to find the nearest metropolitan paper which would print the unfavorable publicity directed against the noncooperating employer. In the meantime, the local union had grown so that a majority of the members were men who had no part in drafting the original resolutions or sending the committee to meet the employers. The new members voluntarily submitted themselves to a code of working conditions which had been adopted without their help or advice.

An experience recounted by one of the outstanding national officials of a labor organization illustrates another phase of this attitude. Following considerable disturbance

in an industrial area in a Far Western state, this official performed what he called a strenuous collective bargaining job, from a city on the Atlantic Coast over two thousand miles from the disturbance. He negotiated for several days with officials of the corporation concerned and finally signed a contract on behalf of more than a dozen international unions in various crafts and trades. His own description of the climax of the experience, quoted substantially but not literally, was:

"And then what do you think the blankety blanks did? Not one of the presidents of those international unions had the guts to follow through. After all I had done for them, I had to go out there myself, take a three-day trip on the railroad, and spend more than a week cramming this contract down the throats of the men in the locals. Did they appreciate what I had done for them? Not on your life. You would think that I was the boss they were fighting with, instead of the man who had done their collective bargaining for them. But, of course, they had to take it and like it, in the long run."

These paragraphs are not intended to be critical of that method of setting wages, hours, and working conditions. It was effective; possibly it was necessary. But it was neither the model nor the forerunner of collective bargaining as we understand it today.

Further, these comments should not be interpreted to mean that craft unions cannot and do not carry on conventional collective bargaining in many of their relationships, perhaps in most of their relationships. Neither do they indicate merely that a well-organized craft union, controlling the supply of skilled workers, is such a strong collective bargaining unit that it can usually impose its desires over the objections of the employer. The significant fact is that such a dominant craft union is actually in a position to disregard the processes of collective bargaining, as far as any individual employer

is concerned. Not only is it able to do so, but it has done so in an impressive number of its employer contacts.

The contrast between these practices and the modern concept of collective bargaining was dramatized by the International Typographical Union after enactment of the Taft-Hartley Act. This union officially refused to negotiate and sign new contracts with employers. It demanded instead the right to post "conditions of employment" under which members of the union would work. Throughout most of the country, this union held so complete a control of the skilled craftsmen in the trade that it could effectively revert to this outmoded practice. The practice could apparently control the jobs as effectively as a closed shop contract.

But the policy clashed with the customs and morals of the new day. The Taft-Hartley Act, unlike the Wagner Act, required unions as well as employers to bargain collectively in good faith. The International Typographical Union turned the spotlight on the distance between their attempted return to unilateral action and the practice of collective bargaining evolved and legalized in recent years.

Both in collective bargaining and in the unilateral imposition of their standards, the typical craft unions were, and are, practical rather than theoretical. They are concerned with wages, hours, and working conditions, narrowly defined, and rarely exert pressure in fields of social theory. Other aspects of this policy are discussed in the chapter dealing with "The Fringes." It is a characteristic well known to employers who have had dealings with such unions over the years. Generally it is welcomed by employers because it confines the arguments and the requirements to well-defined limits, in effect, to the limits of money matters and job protections.

Jurisdictional disputes are consistent with this philosophy. If a carpenter's union has negotiated or established a wage of two dollars an hour for its members, it will naturally re-

sent the efforts of plumbers or tile setters or painters to do the work of carpenters, even if that work is purely incidental to installing bathroom fixtures. The jurisdictional dispute which causes a work stoppage is naturally condemned by the public, even by labor union leaders, as stupid and immoral. There is still reason to see some logic behind the dispute itself.

In relation to collective bargaining today, the jurisdictional dispute, with its very practical logic, is a serious problem. It cannot be solved by collective bargaining. The agreement by the employer to deal with a certain union party to the dispute will not settle the matter. In fact, such an agreement frequently provokes the jurisdictional dispute. The basic theory of exclusive jurisdiction is directly in conflict with our whole statutory concept of collective bargaining, which begins with the right of workers to have representatives of their own choosing. A feeble attempt was made in the Labor-Management Relations Act of 1947 to rationalize the idea of "craft units" with that of "representatives of their own choosing." Theory of jurisdiction is a realm in which craft union practices conflict with modern collective bargaining.

The craft union was the type of organization which was prevalent in the United States until 1933. It is true that there were huge industrial unions, notably the United Mine Workers, the Amalgamated Clothing Workers, and similar unions in other industries. But the dominant type was the craft union, controlling or attempting to control the supply of skilled workers in a given trade. The mass of workers in the automobile industry were not organized, but most employers in the automobile industry were subjected to the requirements of craft unions in the employment of some of their skilled workers. They may have maintained a position and principle by refusing to have any dealings with a union representing electricians or toolmakers. But if they needed qualified men in these trades, in a city where the trade was completely

unionized, they necessarily employed such skilled men at the wages and on the terms which had been established by the craft union. They might ignore the fact that the newly hired craftsman was a member of the union, but in most cases they tacitly accepted the fact that they must pay him the wages which his union had established as standard.

Even in an open-shop mass-production industry, the wages and hours of such skilled craftsmen were those which had been set by their respective craft unions. The craft union did not achieve this condition through collective bargaining with the open-shop employer, but by the firm adherence of its individual members to the standards which had been set by the union.

All the traditions and practices of the strictly craft union made it difficult for such a union to adapt itself to the new theory of collective bargaining projected into our employment structure by federal legislation. The unsuitability was partially evident under the temporary protection for freedom of organization which was provided by the National Industrial Recovery Act. It became much more obvious under the more elaborate protections of the Wagner Act, particularly when those protections became effective through the 1937 decision of the United States Supreme Court. The essentially new element in the picture was the opportunity for employees to be represented by a union of their own choice. The electricians, carpenters, machinists, welders, electroplaters, and scores of other types of tradesmen in the automobile industry generally chose to cast their lot with the industrial type of union. Even where they chose not to do so, the machinery of the National Labor Relations Act frequently made it necessary for them to be represented by an industrial union. The history of the National Labor Relations Board is full of protests and denunciations by craft unions that lost their power to dictate, or even negotiate, the terms of employment for their members, as a result of the determina-

tion of a bargaining unit which was entirely logical under the new concept of collective bargaining.

Many of the principal craft unions recognized the situation, sufficiently at least so that they compromised between their traditional procedures and the demands of the new situation. Machinists, electrical workers, printing pressmen, teamsters, and carpenters, among others, have gone into the industrial union field on a wholesale basis. Through specially chartered local unions or through the equivalent of subsidiary international unions, they have equipped themselves to bargain collectively on behalf of all the employees in a plant or an industry, regardless of trade or craft. The change in the identity and occupation of the workers whom they represent is highly significant, but not nearly so important as the basic change which had to be made in their method of dealing with employers.

A craft union which represented four operating engineers in a manufacturing plant employing a total of eight hundred workers was never required to consider the general economic or competitive situation of the plant. It could, and usually did, arbitrarily impose the standards of wages, hours, and working conditions which it had established for operating engineers in the area. If such a union chose to enter the industrial union field, and represent the entire eight hundred employees in a manufacturing plant, it could no longer maintain its disregard for plant-wide conditions. It must listen to the statements of the employer as to the cost of production, the wages paid by his competitors, the effect of freight rates on his ability to sell his product and employ his workers, and a hundred other factors which never entered the picture as far as the four operating engineers in the steam plant were concerned. Furthermore, when it undertook to represent the eight hundred employees, such a union had to give proper consideration to the desires of those employees. The four operating engineers in that particular plant might

not be permitted to have any desires of their own, different from those which had been officially adopted by the local union comprising all the operating engineers in the area. The same attitude could not be maintained toward the eight hundred employees, consisting of twelve gate watchmen, two hundred girls in the finishing and packing room, one hundred machine operators, sixteen machine oilers, twenty hand-truckers, and so forth.

The illustration which uses the operating engineers union is entirely theoretical, because that union did not enter the field of industrial unionization. The problem would be the same for a union of machinists, electricians, or carpenters, which did enter the field. The trained leaders have been accustomed to determining the standard wages, hours, and working conditions, largely on the basis of considerations other than the desires of the members. Such leadership, entering the industrial union field, found it necessary to reverse the habits of years and to integrate the desires of hundreds of workers, engaged in diverse occupations, within a given plant or company. The leadership also faced the necessity of developing new approaches and new attitudes for dealing with employers. The approach of building-trades craftsmen to contractors could be almost arbitrary. For instance, a demand for an increase in the wages of carpenters could be much more readily enforced against contractors in an entire area, since the increased cost would be automatically passed on by the contractor-employer. No such advantage exists in presenting the demands to a manufacturing employer, whose competition is not limited to the immediate area, and whose ability to meet the increased payroll or even to provide work for the union clientele is influenced by the cost of production faced by his competitor a thousand or two thousand miles away.

The trained leadership of the old craft union also faced the problem of substituting leadership for discipline, in the

affairs of the union itself. The member of the traditional craft union had acquired an attitude of orderly adherence to the union program, through a schooling which usually began with his apprenticeship. The mass membership of the new unions, built up under the protection of the Wagner Act, had no basis for any such adherence to the organization or its officers. The leadership not only had to find ways to enlist, convince, and serve this untrained membership, but it was also required to expand its own ranks by the designation of a great number of new leaders drawn from the miscellaneous new membership.

It is important to recognize certain general facts in the performance of collective bargaining functions by the craft unions. First, the traditional craft union was a fraternity, whose strength derived from the fact that its membership represented a practical monopoly of the skilled workers in the trade. Second, because of its history and method of operation, the craft union procedure was more in the nature of enforcing standards which it had set for its members, than in bargaining with employers. Third, the traditional craft union faced enormous difficulties in adjusting itself to the concept of rank-and-file organization, and to the representation of workers for collective bargaining. Fourth, the collective bargaining experience of the past ten years has been confused by the persistence of the old craft union function of enforcing standards, at the same time that unions generally undertook to bargain collectively on behalf of a miscellaneous worker group. Finally, the tradition of self-sufficiency and devotion to predetermined standards, by typical craft unions, has been a major factor in blinding employers to the large area of their responsibilities which are outside the field of any form of collective bargaining.

V

EMPLOYEE REPRESENTATION PLANS

EMPLOYEE representation plans have a place in the history of collective bargaining, much more central than has been recognized. Their contribution was partly obscured by their abuse at the hands of employers who attempted to exploit them. They became a symbol of opposition to the free unionization of workers. They were distorted into forms of pseudo-unions, employer dominated, subject to all of the emotional criticisms and administrative decisions directed against "company unions."

In 1939, William Green wrote that "these employee representation plans . . . were all . . . designed to confuse, mislead and defraud the workers of their legal rights." Impartial observers generally disagreed with him. But in the turmoil and confusion of the Great Depression, the CIO revolt, and the New Deal, it is not surprising that true employee representation plans were lost in the collapse of the sad imitations, which adopted the name without the purpose and spirit. A careful study, such as this chapter invites, will show that the loss of true representation plans was regrettable, but was inevitable in the circumstances.

Enough years have passed to permit employee representation plans to be viewed in perspective. It is high time that this view be had, because we are at the stage of our evolution where we need, and need urgently, the lessons which can come from it.

Seen in perspective, employee representation plans reveal the beginnings of the modern collective bargaining which became the objective of labor spokesmen and politicians in the 1930's. They demonstrate a practice of true collective bar-

gaining far more advanced than existed in the usual union-employer relationships before the inception of employee representation. In fact, it was a practice of collective bargaining more advanced than that which the average union attempted until employee representation plans had gone out of the picture. It was a practice which contributed more to the collective bargaining concept of today than was contributed by the whole history of the craft union movement.

In an address delivered before the American Management Association in 1927, Dr. Wm. M. Leiserson, then Professor of Economics at Antioch College, said:

> I think, if you take it as a whole, the unskilled and semiskilled working people of this country, in the last six years, have obtained more of the things trade unions want out of employee representation plans than they have out of the organized labor movement. Not that they could not have gotten them out of labor organizations if the labor organizations were efficient in handling the problems of the craftless workers in the mass-production industries. But the reason the employee representation movement has grown is because the trade unions have not succeeded in doing their jobs among the specialized workers in the large-scale industries. There is even evidence that these workers sometimes deliberately prefer company unions to the regular trade unions.

Collective bargaining as we know it today, as we have been taught to see it since it became a specially sponsored institution under federal law, is the representation of rank-and-file employees by selected spokesmen, in arranging terms of employment with their common employer or employers. This is quite a different concept from that of the union relationships which existed in the heyday of the old-line craft unions. The evolution of the craft union concept into the mass-union concept of today is discussed more fully in chapter iv. At this point, emphasis is placed on the fact that the same management skill which had created mass production and mass employment made an early effort to create machinery for mass understanding.

Our future development of employer-employee relations gives particular importance to the long-range view of employee representation plans. This importance is immediate and urgent for those who are sincerely interested in exploring the areas "beyond collective bargaining." Some of the bench marks from which the lines can be projected will appear in this long-range review. We shall find that real employee representation plans not only foreshadowed the collective bargaining of our day, but clearly included many of the factors and features which even today are beyond collective bargaining.

Since we are looking backward at employee representation plans, it is permissible to discuss first of all the fundamental weakness which made them unsuitable and inadequate as a final and general instrument in our economy. This weakness was so fundamental that the structure would have collapsed, or changed radically, without the Great Depression, without the NIRA or the Wagner Act. It was so fundamental that the real value of employee representation had been largely destroyed by adulteration and exploitation at the very time when such plans were at the peak of popularity.

This weakness was the fact that the grant of power to employees to speak through employee representation came to them from above. It was a concession that had not been won or achieved by employees. Even when attained, it could not be successfully defended or retained against the employer whose convictions or policies had changed. No employer found any method to confer irrevocable rights upon his employees through the machinery of employee representation. At least, no employer adopted such a method. No employees possessed an ultimate force of bargaining power under such plans, beyond that which the employer had voluntarily granted to them, and which he could withdraw.

This weakness was sure to be cured at some stage by a development which would give employees the right and power

to speak for themselves, without reliance upon the enlightened generosity of an enlightened employer. Perhaps this achievement of power could have come by evolution in an orderly economic development. But it came by revolution, in a disorderly economic readjustment of depression, panic, and resort to the magic of government regulation.

This much needs to be recognized regarding the basic weakness of employee representation plans. Having seen the weakness, we still should be realistic in weighing the contribution which these plans made. We need to see how much they gave to our structure of collective bargaining today and how much they promise in the area beyond collective bargaining.

Historically, there are many companies and industries which can claim to have been pioneers in creating employee representation plans. We need not know who was first, or even list those plans which were in effect before any selected time. A study of employee representation plans in existence at the end of the 1920–30 decade is included in a 1931 publication of the National Industrial Conference Board, entitled *Industrial Relations Policies and Programs*. Without tracing the history of such plans, that study treats the functions and scope of the plans then in effect, in a wholesome and objective manner. A study at that time is especially significant because of the widespread use of employee representation plans then in effect. Complete statistics are not available, but it is apparent that more workers were covered by employee representation plans than by all the contracts of AFL unions in the United States. (The CIO had not yet been formed.)

The program which is generally accepted as marking the origin of employee representation is particularly significant. This importance rests not only upon the story of that particular plan, but more upon the fact that most of those employers who later developed such plans, and most students of industrial relations in later years, looked upon this plan

as the pattern. Many of the most successful employee representation plans grew from direct personal contact with this program, on the part of executives of the companies who inaugurated similar mechanisms.

Regardless of its title to first place chronologically, the early program outlined by Clarence J. Hicks, and developed in companies where the Rockefeller interests were dominant or important, can be safely accepted as the prototype of the true employee representation plans. The whole history of this program marks it as a sincere effort to achieve an understanding relationship between management and workers. It was one of the first fruits of a critical study, said to have been initiated by John D. Rockefeller II, as the aftermath of a tragic demonstration of misunderstanding and bitterness. Almost every student of the history of industrial relations is familiar with the story, and men who have been in the field for fifteen years or longer are likely to have known personally at least two of the three men who made the study and sponsored the recommendations. The story told by Clarence J. Hicks [1] should be studied by any person who needs to understand the evolution of industrial relations over the past thirty years.

The story of this employee representation plan has internal evidence of sincerity. As far as the motives of any employer, in any voluntary action, can be accepted as frankly directed toward the mutual welfare of himself and his workers, the motives behind this plan can be so accepted. In its time, it was a radical advance toward freedom of expression for employees. Its actual operation, and the subsequent attitude of the companies concerned toward the unions which eventually represented many of their employees, give it a reasonable acquittal on the charge that it was designed primarily to forestall unions.

[1] *My Life in Industrial Relations.* New York: Harper & Brothers, 1941.

In the scope of subject matter dealt with in the discussions with the employee representatives under this plan, we find matters which have never yet been discussed between a labor union and an employer, in the process of collective bargaining. Any employer might permit and even invite discussion of such subjects by employee representatives who had no protected bargaining rights, and in a situation where the employer had complete and final control of decisions. It is reasonable to admit this, but there are no recorded instances of employers having done so in any formal way, before the employee representation plans were established. The willingness to discuss such subjects indicates a willingness to be influenced by the discussion. Those who deal most closely with problems of employee relations will realize that an employer who permits or invites such discussion, and then makes arbitrary decisions contrary to the expressed views of employee representatives, is inviting trouble. His relations with employees would be measurably better without such discussion and later contrary decisions, rather than with them.

Regardless of the power of the employer to make the final decisions, the invitation to employee representatives and works councils to discuss certain matters marked a great advance in humanizing the relationships in large employing units. It actually restored in part the basis of understanding which had previously existed in the small employing units. It gave an opportunity for the workers, through their representatives, to obtain information about the enterprise, information from which they had been separated by the early growth of the mass-production industries. It gave them, correspondingly, the opportunity to express their wishes and opinions.

The study of the National Industrial Conference Board, previously mentioned in this chapter, lists the following among other fields covered by employee representation bodies under various plans:

Wages and Hours
Safety and Fire Protection
Health and Sanitation
Grievances and Adjustments
Suggestions and Work Improvements
Housing
Requests for Explanations of Management Policies and Actions
General Working Conditions
Reports of Employee Opinion
Recreation
Education
Social Affairs and Activities
Operation of the Personnel Department
General Industrial Relations Programs

In his discussion of the Employee Representation Plan developed in the Standard Oil Company (New Jersey), Mr. Hicks tells how a definite labor policy was established and maintained, as a result of the joint conferences under the Plan. In addition to most of the subjects listed above, this jointly developed policy printed in 1922 dealt with:

Prevention of Discrimination
Disability Benefits
Sickness Benefits
Special Training Opportunities
Promotions on Ability and Seniority
Vacations for Wage Earners
Retirement Annuities
Death Benefits

When management had invited the expression of employee attitudes on some or many of these subjects, it obviously invited dissatisfaction and friction, if it was unwilling to take the logical following steps. If management could accede to all or nearly all the requests and recommendatons of the employee representatives, there was no immediate cause for concern. If it must exercise its obvious power to disregard such recommendations, or to deny the requests, it was under the practical compulsion to explain its decisions in a logical and convincing manner, or it must expect a high degree of dissatisfaction and discontent.

It may be a superficial conclusion that those corporations which adopted employee representation plans placed upon

themselves this obligation to explain and defend their decisions which were contrary to the wishes of their employees. It is a true conclusion if we limit it to decisions which were contrary to the *expressed* wishes, because the employee representation plan usually gave the first opportunity for expression of employee wishes. Perhaps a better conclusion, in the long perspective which is now open to us, would be that such a management recognized an obligation which had always existed but had been generally ignored.

In so far as it can be said that the study of human relations in industry has reached the level of a science, one of the firmly established doctrines relates to this obligation. It is almost an axiom that good relations between an employer and his employees demand that those employees have an understanding of the policies and decisions of management which relate to the daily life of employees in their work. Much of the technique of industrial relations and personnel management is aimed directly at accomplishing this understanding in industry. The obligation is a real one, because the employer who ignores it is subjected to the consequent misunderstanding of his motives and his problems. If the discussions in all collective bargaining negotiations were transcribed and analyzed, we should find an amazing amount of time consumed by the efforts of employee representatives to talk about management decisions and actions which employees resent, or do not understand; and of course a corresponding time was consumed in speeches by employer representatives to prove that the questions at issue were outside the scope of collective bargaining.

The corporate employers who pioneered in employee representation plans voluntarily surrendered some of the supposed prerogatives of management, in an act of statesmanship which was a generation ahead of most of their contemporaries. Viewing their representation plans critically and realistically, we may assume that they were conscious of an

obligation to explain and justify to their employees those decisions made by management which affected jobs and working conditions. That is, they realized that a lack of understanding of the reason for management decisions led to a consequent distrust of the purposes of the decisions. They realized that the exercise of the management prerogative to decide, without a willingness to explain and justify the decisions, would be, and in fact already had been, penalized by the distrust, resistance, and open antagonism of the workers.

With the advent of collective bargaining, through unions which had powers of their own, a new situation and an important decision faced any management which had been working under a bona fide employee representation plan. The old plan had permitted discussions aimed at mutual understanding—understanding by management of the workers' desires, understanding by the workers of management policies and decisions. Even the most sincere and liberal management could not be expected to move into the same relationship with a union having outside leadership, a union which had power to enforce its demands, with or without an understanding of the problem and position of management. Whether the powers of the union derived from its own economic strength or from the statutory grants and protections, it approached every problem with an attitude and technique different from that of the employee representation group.

The logical reaction of even the most enlightened employers was to limit, as rigidly as possible, the area of subject matter in which they must bargain collectively. Some important topics had been gladly included in the discussions whose end point was understanding. The same topics were defensively excluded from the discussions whose end point was an agreement based on bargaining power. On some subjects management had welcomed the opinions and recommendations of employee representatives. These were frequently subjects upon which management would naturally resist the

obligation of sharing the power of final decision with a union which represented its employees. Collective bargaining in the last analysis is a process of sharing the responsibility for final decision on certain matters between management and representatives of organized workers. Employee representation plans were instruments for sharing knowledge, exchanging opinions, learning and recognizing employee desires, interpreting management policies and explaining management decisions, without technically removing any part of the power of decision from the hands of management.

The field in which the obligation to bargain collectively can be enforced includes the specific subjects of wages and hours, and the ill-defined subject of "working conditions." For fifteen years management has been attempting to exclude from the meaning of "working conditions" many subjects which were willingly included by management in the agenda of employee representation meetings. Successive interpretations of statutes have brought many of these subjects into the established meaning of "working conditions." This is frequently unfortunate, where the sharing of the final power of decision has reduced the power of anyone to make management decisions promptly and flexibly. It is unfortunate where it has brought into the processes of conflict many matters which should have been dealt with continuously on the basis of study and understanding. But this broadening of the meaning of "working conditions" is likely to continue until management generally finds some form of relationship which will parallel the educational function of the bona fide employee relations plan of twenty years ago.

There are problems of employee welfare, employee education, employer profits, market conditions, product improvement, continuity of the enterprise, and many others, which loudly call for frank discussion and mutual understanding. This frank discussion and mutual understanding can be better accomplished outside the arena of collective bargaining

than in it. The practicability of achieving this understanding was on the way to being demonstrated by the real employee representation plans, before the days of compulsory collective bargaining. Its achievement under present conditions calls for the recognition by employers that there is a large area of mutual interest between employers and employees which is still beyond the range of collective bargaining. Unless a method or mechanism is found to achieve this understanding through co-operative activities outside the collective bargaining process, these areas where understanding and co-operation are most important will eventually be absorbed into the collective bargaining process, where power can always be the last resort.

The employee representation plans which were generally outlawed with the advent of compulsory collective bargaining had values in this approach to understanding and co-operation. These values need to be restored through methods and processes which go far beyond collective bargaining.

VI

THE TREND TOWARD LAW

THE PERIOD since World War I has been characterized in America by a tendency to rely upon laws as easy ways to reach desired objectives. This tendency is one which should deeply concern anyone involved in the relations between employers and employees. Some of its most radical expressions have been in this field.

Of course, it is implicit in the American tradition that ours is a government of law. Only in rare emergencies have we attempted to entrust broad powers to rulers or officials, which would permit them to govern by decree. Even the powers of the state and the nation are limited by laws, which have the primary purposes of protecting individual freedom and promoting the general welfare. It is when these two primary purposes seem to conflict that we burden ourselves with futile and impractical statutes.

The emergency legislation growing out of World War I may be looked upon as an exceptional incident in our history of laws. The Prohibition experiment may well be considered as marking the beginning of the present trend. It seems fair to admit that both the Eighteenth Amendment and the statutes based upon it were sincerely advocated as measures to promote the general welfare. Regardless of the fact that their enactment was strictly in accordance with our basic constitutional procedure, the majority of Americans believed, sooner or later, that these were laws which unduly invaded the freedom of the individual. When the majority had the opportunity to express itself, the Eighteenth Amendment was repealed, and the statutes based upon it disappeared.

Although we accept the Prohibition laws as the beginning

of the present trend, some of the laws dealing with relations between employers and employees were actually earlier. A few federal statutes, and many of the state laws, date from the years before World War I. A sufficient example would be the laws governing industrial safety and workmen's compensation for industrial injuries. It is difficult for many of us today to realize that such measures excited bitter controversy less than forty years ago. They were challenged as fundamental violations of the constitutional guarantees of liberty. Many state constitutions had to be amended to make the laws possible. In general they were found to involve no violation of the Constitution of the United States. In this discussion we are concerned with such laws only as early examples of efforts by law to correct hardships or injustice arising from the relations between employers and employees. They can be easily distinguished from laws insuring the payment of wages, laws providing for mechanics' liens, and many others which were parallel to the usual civil protections.

Aside from the Workmen's Compensation Acts, the first significant effort to create a body of special law dealing with industrial relations was probably the Norris-LaGuardia Act. There is no period when the record shows any widespread legal prohibition of strikes. The general laws protecting property rights and personal rights were effective, over a long period of time, to prevent or punish certain kinds of strikes. The process of injunction was available to prohibit, by court order, any injury which one party threatened to inflict upon another, if a court found that the injury was unjust and sufficiently serious to justify the writ of prohibition. There was a sign of changes to come, in the language of the earlier Clayton Act. But it is broadly correct to say that the relations between employer and employee were governed by the same laws, or at least the same principles of law, as the relations between buyer and seller, between landlord and tenant, or

between the parties to any other transaction involving services, goods, or values of any kind.

With the adoption of the Norris-LaGuardia Act, the relations between employer and employee were distinguished from practically all other forms of civil contract. The protection of the injunction process was denied in cases of labor disputes, with very limited exceptions. Similar laws were soon enacted in many states. The significance to the modern student of industrial relations has nothing to do with the basic propriety of prohibiting or limiting injunctions in labor disputes. It has a great deal to do with the implied and almost explicit declaration that relations between employers and employees constituted a field for the creation of a special body of law, distinct from the laws governing other business relationships. This involved a deliberate acceptance of class legislation as a necessary means to a desirable end.

For almost two generations, groups of employees in America tried to improve their economic and physical working conditions through the organization of trade unions. Essentially these unions were associations of free individuals who voluntarily surrendered portions of their individual freedoms in order to create collective strength. They were generally successful in their efforts, when they had the initial strength which came from voluntary association of substantially all the workers who possessed a particular skill, needed by the community. As the needs of the community changed, during the development of the mass-production industries, such unions were generally unsuccessful in organizing the new type of workers. The setting of the Great Depression and the New Deal gave them an opportunity to acquire legal protection through drastic forms of class legislation. Beginning with the National Industrial Recovery Act and the National Labor Relations Act, the years since 1933 have marked a rapid advance in the trend toward law in the conduct of employee relations. This trend cannot be viewed in proper per-

spective without relating it to some of the popular concepts of the American way of life which date back for many generations.

Spokesmen for the American Way, or the Free Enterprise System, or Capitalism, or Capitalist Democracy, constantly emphasized the fact that America means a high standard of living, and the chance for every one of us to improve his status. They stressed Freedom of Opportunity, the right of every American to choose his own occupation and to advance in that chosen field. They pointed out his right to work, where he chose, at the job he chose, for the wages he chose to accept.

Such spokesmen consistently resisted the efforts of organizations to enforce, on individual workers, any limitations on these freedoms. They saw threats to the fundamental American liberties in the imposition of compulsory union membership, or in concerted action against workers who accepted less than standard wages or working conditions. They feared even more the limitations imposed by law. They recognized the restrictions on individual freedom which are inevitable when government decrees a minimum wage, a limit on daily hours.

Those who sincerely believed both in freedom of opportunity and in a general advance in the individual level of living, eventually found themselves victims of internal conflict and confusion. The mass-production phase of the industrial revolution created a new set of conditions. The old philosophies which combined the objectives of individual freedom and general improvement were not readily adjusted to these new conditions.

At an increasing rate, Americans became employees instead of self-employed workers. They became unskilled and semiskilled workers, instead of craftsmen. They became members of mass groups of employees working for huge corporations, instead of small groups working for individuals, partnerships, or small corporations. Under the new condi-

tions, the opportunity for the individual to improve his own level of living by his own individual effort was greatly restricted. We moved dangerously toward the creation of an actual class in America, composed of a substantial portion of the employed workers, possessing no particular skills, no personal tools, and no property. As this group grew larger, its members became conscious of their common limitations and frustrations. Crusaders arose to awaken them to this consciousness. Efforts were made to use the counterpart of the old trade union of skilled craftsmen as an instrument for collective action to improve the economic condition of the members of the group.

At this stage, the conflict within the mind of the typical American employer became sharp. He believed firmly in the theory of individual opportunity as the foundation of the American system. If he was wise, he recognized the need of widespread prosperity and purchasing power to support the American economy. The combination of these two was in harmony with his dual faith in freedom of opportunity and the improvement of the general welfare. But he looked upon collective action by individual workers as socialistic in nature and as a serious departure from the theory of individual effort.

We still believe that freedom of choice and freedom of opportunity are essential in the spirit of America. We consider this one of the most important beliefs, traditions, or principles which should be planted in the minds of children in our schools, and in our homes. We point out the progress of the common man under our system, which not only exceeds the achievement of any other system, but which far exceeds the rosiest promises of the totalitarians.

We impress upon young Americans that these opportunities for progress are still here. We teach them not only that it is their privilege to advance themselves, but that this effort to advance is their personal obligation to their nation.

We point out that the progress of that nation has been the sum of the progress of all the men and women who have honorably advanced themselves. We demonstrate that this opportunity for progress is the incentive which has led America forward, man by man, until the nation stands at the highest economic level among all nations of the world.

The effect of this teaching is to strengthen the active desire of the average young American to better himself. This is completely in harmony with his natural inclination and inherent self-interest. But his individual attempt to use his opportunity to get ahead brings him into conflict with some other person who is using his opportunity and exercising his rights in the same area of activity. It is not important that there is competition between two who are at the same point in their advances, and racing for the next rung in the ladder. The problem is created when the ambitious young free enterpriser finds that the one who is already ahead can block his progress, and the progress of a lot of others like him.

We encourage every school boy and girl to want and expect a Better Life. We teach that in America, and here alone, there is free opportunity to go after and get that Better Life, and that it is a duty to go after it and get it. Then almost every one of them finds some blockade in his way, some actual or apparent denial of his freedom of opportunity. He still wants the Better Life but he comes to believe, in many cases, that the opportunity is denied, and his ambitions thwarted, by someone else. In most cases, it is easy for him to find others who are similarly thwarted. In the simplest example, he is likely to find a common sense of frustration among those who work with him, for the same employer. There is likely to be a gradual articulation of their feeling and belief that their sacred American right to a Better Life is denied by the owner or the office manager or even the foreman.

We do not want these ambitious but frustrated workers to conclude that they are mistaken in believing that America

is still the "Land of Opportunity." We dare not admit that the American Way is not the way to the Better Life. Yet the evidence of their own experiences seems to deny that greater individual effort, every man for himself, will surely bring to each of them that Better Life.

This is one of the explanations for the long and bitter opposition to the self-organization of mass-production workers. It was an opposition shared by sincere citizens and honest employers. They looked almost with horror upon the suggestion that those who had common ambitions and common frustrations could justly unite their efforts, and make common cause of their advancement. That seemed to contradict the whole theory of individual rights and individual progress. Progress by group action seemed to be socialistic, unionization to be inconsistent with personal liberty. One movement to retard unionization was actually called The American Plan!

A great number of our sincere citizens stood their ground in this negative position for too long a time. They failed to grasp the confusion in their thinking, failed to see the inconclusive handling of the very real problem. If they persisted in repeating the promise of the schoolroom about the Land of Opportunity, the frustrated worker could only be convinced that someone had interfered with the rules of the game as far as he was concerned. The hard-working and ambitious young man was still frequently unable to get ahead. If he tried standing on his own feet for his own rights to his own Better Life, instead of pooling his interests with all the others who were similarly disappointed, he (and the others) still felt that the promise of America was being denied them.

If the frustrated worker had been well taught that America meant the promise of opportunity and the Better Life, he could only conclude that some person or some group was interfering with that promise. He could not make real progress by individual effort, and he was thwarted in his attempts to unite his efforts with others in an organization. The logical

conclusion was that his employer and other employers were interfering with the same freedom of opportunity which these employers preached about.

This changed the worker's grievance into America's grievance. If there had been a personal Uncle Sam to whom the worker could talk, the result would have been easily reached. But Uncle Sam, he understood, was the Senator, the Congressman, the President, or the men who wanted to be in those positions. With perfect logic he turned to them for a joint attack on the mysterious forces which were denying his personal rights and, by the same actions, defeating the purposes of America.

The trend toward law became a trend toward federal law for several reasons. The America which the worker had been taught to believe was the protector of opportunity was a federal America. "We, the people of the United States, in order to . . . promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. . . ." Furthermore, the efforts to use state legislation to remove some of the barriers erected against the advancement of workers toward the Better Life were already proving futile or ineffective.

The trend toward law, and toward federal law, which began to show in the third decade of this century, was at first opposed by the leaders of old-line trade unions. These were men as firmly committed to the status quo as any conservative employer. They had usually achieved a Better Life under the existing rules. They generally represented skilled workers who were automatically somewhat ahead in the race for economic status. They had an inherent skepticism of any effort to improve directly the status of the mass of unskilled or semiskilled workers, even by organization. They believed and preached that the rank and file automatically shared in the benefits of the organized skilled worker. And they certainly objected to any group, skilled or unskilled, leaning on gov-

ernment for the benefits which the unions sought to provide.

They also stood their ground too long. The trend to law swept past them as it swept past the conservative employer. In less than twenty years we have seen federal labor law move out of its traditional fields of railroad and water transportation, the obvious fields of interstate commerce, to deal with every phase of employer-employee relations. The dykes of constitutional limitation stopped the first attempts to prohibit child labor by federal law. While that barrier still held, the concept of federal power in the minds of Supreme Court justices advanced to the upholding of federal laws going far beyond the mild social welfare purposes and powers of the child labor laws.

The existence of a Supreme Court with this new concept of federal power was in itself a dramatic result of the trend to law. The presence of its new members was the result of appointments by a President chosen mainly for his promises to exert the federal powers toward the securing of the Abundant Life for the Common Man. Franklin Roosevelt and the New Deal were dramatic evidence that the Common Man was turning his hopes toward federal law. He had been blocked, in too many cases, in his efforts to achieve the Better Life through personal hard work, or even through organization with his fellow workers.

How far has the trend gone? In the nature of enterprise covered by federal power, it has been extended almost to the shoe-shine stand. It is conceivable that a shoe-shine stand in a railroad terminal used exclusively by interstate trains is an activity "affecting commerce." The contractor erecting a building inside the city limits may be similarly classified. The local electric light company in certain cases is certainly covered by federal law. A downtown office building which is largely occupied by the company which owns it is definitely "in or affecting commerce" if the company business is an interstate activity.

In the nature of the relations covered by the federal power, the trend has gone far, and there is no safe estimate of its limit. It comprehends safety and sanitation, age and sex, wages and hours, selection and retention of employees, definition of "work," and the purchase price of some commodities. The trend has reached to the prohibiting of the selection of employees with regard to union activities, and it points toward the control of selection in relation to race, color, or creed. It makes the purchaser of certain commodities responsible for the wage and hour practices of the producers of the goods he buys.

The Labor-Management Relations Act of 1947 is not a reversal of the trend toward law. It is a radical advance of the trend toward more law. It applies specific prescriptions of law to a body of material which had merely been legislated into the realm of collective bargaining by previous law. It definitely limits the scope of collective bargaining in certain directions, and injects new agencies of government into the collective bargaining process. It sets up statutory processes and even timetables for certain steps in collective bargaining.

The trend toward law has gone far and may go farther. It began because enough people were convinced that the old roads toward the Better Life were blocked, and that if the promise of opportunity was still a proper American dream, it must be protected and implemented by law. The trend was accelerated immeasurably when business itself sought the benefits of the abortive National Industrial Recovery Act.

The laws reflecting this trend, although varying greatly in form and substance, can be classified broadly in two general groups. The first is a group which establishes definite standards or specific benefits for all persons in a given class. This group includes the Fair Labor Standards Act, regulating minimum wage rates, payment of overtime, and, to some degree, the employment of minors. It also includes the provisions of the Social Security Act for unemployment com-

pensation and old-age insurance. It includes specific statutes setting up minimum standards in occupations or industries where the national interest is traditional or obvious: the La Follette Seaman's Act, the Mine Safety Act, and the federal Longshoremen's Compensation Act.

The other broad category includes a number of laws which do not set absolute or minimum standards, but which attempt to place in the hands of workers certain powerful weapons that they can use to win for themselves the standards they want. Some of these are negative laws to prohibit interference with the collective efforts of workers to advance their standards. In this category we find the Norris-LaGuardia Anti-Injunction Act, the Wagner Act, and most features of its successor statute, the Taft-Hartley Act. An inevitable consequence of this type of legislation is the corrective type of statute represented by the more controversial portions of the Taft-Hartley Act—measures that regulate and restrict the use of the same powers which have been granted by other legislation. There is increasing demonstration of the old adage that more law leads to more law.

How far the trend will go is one of the big questions facing American management. And management will have more influence on the answer than will politicians or spokesmen for organized labor. If management can find a way by which the average worker can achieve his reasonable ambitions without the benevolent paternalism of law, there will be less pressure for more law.

To do this, management must engage wholeheartedly in the activities of collective bargaining. It must abandon the defensive and negative position as to the scope of collective bargaining. It must recognize the compulsion to agree with organized employees on matters which are on the border line of "working conditions." It must recognize the need to go farther and satisfy employees on matters affecting their interests, before new laws are enacted to extend the compul-

sions. To illustrate the possible extension, a segment of management might be committed to a program which called for the filling of all supervisory and management positions with college graduates. One practical effect of this policy would be to deny to workers the chance for promotion to such positions. We might reasonably expect a law to make such promotions a matter of collective bargaining, or even to make promotions within the establishment compulsory.

The best results which could have come through the natural evolution of collective bargaining have been discounted where collective bargaining has been compelled by law. The trend toward law has deprived both employees and management of benefits which they could have achieved by mutual goodwill and long-range planning in their mutual interest.

It is still possible to achieve industrial peace, and to progress toward the Better Life, within the present framework of collective bargaining. But collective bargaining in its widest conceivable scope is not the whole process, not even the principal implement, for the creation of industrial peace, industrial democracy, and the Better Life. And these are the objectives which will prove the practical superiority of the American system over any totalitarian system. Their achievement requires intelligent collective bargaining, and much more that is, and always will be, beyond collective bargaining. A failure to achieve them by these means is an invitation for more law and less freedom.

Our trend toward law in the field of employee relations is the gradual confession that we must reduce our emphasis on "freedom of opportunity" and substitute guarantees and compulsions. One long chapter ended with the proven inability of the average worker to "get ahead" on his own in the new economy of mass production, mass distribution, and mass employment. The second long chapter began with law to break the resistance against the efforts toward joint action by groups of average workers, through collective bargaining.

It broke that resistance and forced acceptance of that form of collective action as a substitute for individual freedom. The third chapter may be marked by laws to decree the standards of wages, hours, and an ever-growing list of working conditions. The logical end can be the prohibition of collective bargaining wherever standards are set by law. It is an end already foreshadowed in some of the provisions of the Taft-Hartley Act.

The ambitions and hopes kindled in the schoolroom can still be realized through our present compulsory collective bargaining, plus much more voluntary co-operation beyond collective bargaining. If they are not thus realized, the next long chapter may well be the succession of laws necessary to guarantee to every man the end results, instead of just the opportunity to achieve them. The federal Full Employment Bill of 1943–44 gives a mild forecast of what we must expect if the trend toward law continues.

The trend can be stopped by restoring opportunity, under collective bargaining, through the understanding and co-operation which are beyond collective bargaining.

VII

THE FRINGES

THE SUBJECT MATTER of collective bargaining has been expanded and confused by the inclusion of so-called "fringe issues." This expansion is definitely foreign to the main line of the development of the American labor movement. Fringe adjustments became important during the years of World War II, in a limited area, and one which was not entirely new in labor union practices. In the postwar years, the words "fringe issues" were conveniently applied to subject matter which had been completely beyond the previous scope of collective bargaining. This expansion marks one of the most basic changes in American labor and social relations.

The wartime emergence of "fringe issues" requires only brief consideration. A government agency had to be substituted for the normal machinery of collective bargaining. The War Labor Board had national responsibility, inseparable from all other phases of the war effort. It had to conduct itself by rules and policies which could be applied nationally and uniformly, with due regard to the other war programs of procurement, price controls, and manpower controls. It created the so-called Little Steel Formula, which arbitrarily limited wage rate increases in accordance with a mathematical relation to the increase in cost of living during a stated period.

As an overall rule, the record of results appears to have been reasonably consistent with this formula. But in the case-by-case record, it is evident that the Board was compelled to induce workers to work, where the limits permitted under the formula were not a sufficient inducement. The expedient was the discovery of ways to increase actual compensation with-

out increasing the stated wage rates. Such forms of additional compensation were popularly known as "fringe" items.

Many of these wartime substitutes for wage rate changes were conventional items in the practices of old-line trade-unions. Perhaps the most common was the shift differential. It had been an almost universal custom in many trades whose work is normally performed during daylight hours. The printing trades offer a typical example. The basic rate for such an occupation as pressmen in 1930 may have been $1.25 per hour, or $10.00 for an eight-hour day. But on a second shift, ending possibly at midnight, the $10.00 would be paid for seven and one-half hours; on a third shift, after midnight, the $10.00 would be paid for seven hours.

In many other occupations, the practice was to add a specific amount to the standard hourly rate, rather than to shorten the shift hours. If the established rate was $1.25, that applied to the day shift. On the second shift, a "differential" of eight cents might be added, making the rate $1.33; on the third shift, a differential of fifteen cents, making the rate $1.40.

Naturally, the War Labor Board would be defeating its purpose by discussing reduction of hours on the second and third shifts, even as a basis for computing overtime. It chose the device of differentials added to the standard rate. It maintained the position that it had denied a wage rate increase beyond the formula, but sanctioned a fringe adjustment applied to the second and third shifts. In the same course of reasoning, it sanctioned the granting or liberalizing of vacations with pay, and encouraged continued work for extra pay during the paid vacation. It sanctioned other forms of privileges which really represented compensation, and forms of premium pay which did not always call for premium performance. It sanctioned thousands of adjustment of job rates as "corrections of inequities" where the adjustments actually disorganized a practical wage structure.

These fringe adjustments served a purpose, and did no

permanent injury, either to the wage practices of industry or to the scope of collective bargaining. It is true that the shift differential had previously been confined largely to daytime occupations, where night work was somewhat abnormal. The Board applied it chiefly to continuous, round-the-clock operations. But on the whole, the fringe items used by the War Labor Board did not radically disturb wage habits or bargaining processes. The adjustments were inherited by postwar industry, and even extended. But the most important heritage to collective bargaining was the very flexible name, "fringe issues."

The postwar wage demands of unions were spectacular, of course. The first objective was to reduce the wartime work week to forty hours and keep the same number of dollars in the pay check. To receive the same pay for forty hours at straight time as for forty-eight hours including overtime required an increase of 30 percent in the hourly rate. Unions asked for it, employers refused it, and many collective bargaining processes moved logically into strikes. Some of the strikes were so extensive, as to both numbers and duration, that they also became spectacular.

Much less attention was paid to a more important aspect of collective bargaining in this transition period. Especially in the industrial type of union, there was a basic expansion of the content of the demands, beyond any former concept of wages, hours, and working conditions. The convenient war-born name of "fringe" was applied to a variety of requests for payments by the employer for purposes generally (and pleasantly) described as welfare. These demands involved great costs to the employer, sometimes prohibitive costs. They usually involved no direct benefit to the average employee. They usually identified him with an indirect group benefit. They magnified the importance of the union as a social institution upon which he must depend for contingent future benefits such as medical care.

The extent to which these demands were actually designed to increase the political power of the officers is not important in this present discussion. Neither is the stormy public reaction which found expression in the Taft-Hartley prohibition against exclusive union control of welfare funds. It is more significant that by 1947 even Senator Taft and Congressman Hartley had implicitly accepted the principle of welfare funds and the propriety of including them within the scope of collective bargaining.

The significance of this expansion of collective bargaining is emphasized by a backward look at union relationships before the war and before the New Deal.

The comment has been made earlier (chapter iv) that the old-line craft unions were practical, above all else, in their selection of subject matter. The comment applies to their actual collective bargaining and equally to their unilateral adoption of standards for their trade in their area. Both their contracts and their published rules dealt strictly with wages, hours, and working conditions; and their definition of working conditions was reasonably narrow.

When craft unions were the dominant type in America they were rugged, perhaps usually tough, on the subjects which they considered as being their business. The selection and limitation of those subjects emphasizes another characteristic which was less noticed. Although they were organized for collective action, the typical craft unions reflected an extreme commitment to the principle of rugged individualism. The union itself was sturdy and aggressive in its dealings with employers. But it expected its individual members to be correspondingly sturdy in managing their private affairs.

It was not a pose when the business agent of such a union said that his business was wages, not welfare. It was not mere perversity when spokesmen for such unions belittled some program of group insurance or sick benefits or retirement annuities, of which the employer might be very proud.

The instinctive belief of craft union leaders and members was that the individual worker should look out for himself in such matters, and that the average worker would look out for himself quite adequately, if he obtained the wages necessary for him to do so. It is true that many such unions created insurance funds of their own. But they resented the attempt of an employer to provide such benefits, partly because they suspected that he was trying to save money on wages by substituting these benefits, and partly because they felt that these "welfare" items were the private business of each employee, and none of the employer's business.

While the American Federation of Labor was essentially a federation of craft unions, it reflected this same sturdiness in its attitude toward government programs. It actively opposed much of the welfare legislation of today—laws governing the employment of minors and women, minimum wage laws for women, the Federal Wage and Hour Law. Part of this opposition was obviously due to a fear that government was stealing the thunder of the trade union movement. But even this reasoning was not based entirely on the fear of competition. It rested more heavily on the fairly articulate belief that workers should obtain these protections by their own efforts rather than through the paternal activities of government.

During the decade beginning in 1880, when the Knights of Labor was an important factor in American industry, it appeared that labor would become organized for a broad social program, far beyond the description of wages, hours, and working conditions. Perhaps the program of the Knights of Labor was influenced by the experience of the British labor movement. In any case, it enrolled sympathizers and intellectuals who were not workers. It launched programs for the improvement of the status of workers, inside and outside their occupations, by law as well as by economic pressure.

It must be remembered that at that time, and throughout

the generation following, the craft unions consisted chiefly of men who had personal assets of skills acquired through a long and formal training. Such men were, and are, in a better position to be rugged individuals than are the semiskilled and unskilled workers. It was to the latter group that the Knights of Labor appealed particularly. It is to the same group that the industrial unions have appealed during the past fifteen years.

The Knights of Labor lacked the first element of statutory assistance which could have made their organization permanent. They had no Wagner Act to force employers to deal with them. Lacking such protection, the other essential weakness of the movement brought about its disintegration. That was the absence of the common skills, mutual interest, and economic control of the supply of workers, which bound the members of the craft union to the lodge.

Collective bargaining today is generally a matter of dealing with unions whose members are almost as miscellaneous in occupation and interest as were the members of the Knights of Labor. The persistence of these unions in this industrial form is completely, and probably permanently, protected by the Wagner Act and the Taft-Hartley Act. It was inevitable that the industrial type of union should broaden its interest to include economic and social problems of its members, in their everyday lives, off the job as well as on it. The mere size of the industrial type of union, as well as its diversity of membership, makes impractical any such policy of individual self-reliance as that which characterized the old-line craft union. The janitor, the warehouseman, the wrapper of packages, the hand trucker, the elevator operator —such people as these have no exclusive skills to give them the feeling of security and independence enjoyed by the toolmaker, the linotype operator, or the glass blower.

Between the days of the Knights of Labor and the years of Wagner, Taft, and Hartley, great changes took place out-

side the labor movement itself, changes which conditioned all of us for the problem of "fringe" or welfare issues. The gigantic employer unit arose in corporate form, to provide the tools for mass production. The capital of the average worker, represented by his own work bench, his own tools, or even his own skills, was largely liquidated. The Great Depression wiped out the money and property savings of most workers, and dramatized the insecurity of individual jobs in the mass-production economy. The "rugged individualist" of the political orators in one campaign became the "ragged individual" of the opposing orators in the next.

Because insecurity and hardship became general, some forms of dependency became respectable. There were differences in the relative respectability of WPA, CCC, AAA, FSA, HOLC, FHA, FDIC, and RFC. In the last analysis they were all forms of public aid or protection—some for unemployed workers, others for hard-pressed farmers, home owners, bank depositors, bankers, or corporations. The general situation opened the way for broad social security programs which were long overdue in terms of natural progress. All in all, we were conditioned to accept as facts the existence of widespread dependency which carried no implication of shiftlessness or unworthiness. We learned to talk calmly about group protections against common hazards.

In this time of transition we attached responsibility for providing against some of the hazards to economic groups who were not themselves to blame for the hazards. No employer was to blame for the fact that workers became too old to work; but the employer was made responsible for providing half the fund out of which old-age insurance is paid. The obvious implication was that employers had an interest in the provision of incomes for superannuated workers generally.

Acceptance of federal old-age insurance was made completely respectable by the application of the tax to the earn-

ings of the corporation president and the janitor, and corresponding payment of the insurance benefits to both. Being a beneficiary of this social-security provision was an honorable status, achieved by working the required years and reaching the age of sixty-five. Being a beneficiary of unemployment compensation became almost as respectable and much more popular.

These various forms of dependency could not have become respectable without the prior growth of huge groups of people having the same general economic and social status, and facing the same general hazards. The tens of thousands of employees of a single corporation had the same general wage problems, the same lack of legal hold on jobs, the same insecurity—problems tied to both the activities of the one employer and the lack of special skills on the part of almost all the workers.

The rise of the industrial union was probably inevitable, with or without a Wagner Act, to correspond to the rise of mass-production industry. The dominance of this type of union today, both in the CIO and in the AFL, means that the scope of collective bargaining will be influenced by the problems of the unskilled and semiskilled worker, by the strong and weak features of this type of organization, and by the readiness with which competent leaders can sell the idea of social benefits to millions of members who have neither the advantage nor the pride which goes with a craft skill. The scope will be equally influenced by our recent progress toward treating so many security and welfare problems as group problems, and seeking solutions in group plans, social or governmental programs. We have accepted many forms of dependency as common and normal, and have consented to pool our risks and benefits.

The fringe issues are definitely facing employers who deal with their employees through any industrial type of union. Whether the particular issue is a welfare fund, pre-

paid medical care, or a retirement plan, it is obvious to any careful observer that its evolution through the processes of collective bargaining will be bad in many respects. An illustration is the case of one industrial corporation, with less than twelve thousand employees, dealing with eighteen different international unions and approximately eighty different local unions. To be economically sound, a retirement plan for such a corporation must be corporation-wide. To be socially sound, it must be identical for all employees. The practical impossibility of evolving such a plan through scores of separate collective bargaining negotiations is obvious. In fact, in this particular case, it was so obvious that several unions which had injected a retirement plan into their collective bargaining demands withdrew the requests so as to permit the creation of a comprehensive plan for all employees of the corporation.

A similar problem faces many employers in the growing demand for sick-leave provisions for workers paid by the hour. If the corporation deals separately with several different unions, it will require the skill of a magician to produce sick-leave provisions which are uniform or even equitable throughout its operations. But employers must face the fact that sick leave is one of the fringe issues which is moving rapidly into the area of collective bargaining. It is probably the part of wisdom for such a corporation to move promptly and courageously toward establishing a generous and practical program of sick leave for workers paid by the hour. This move will have no such result as "chiseling down" on the liberality of the provisions for individual employees. It should have the opposite result, plus the opportunity for better administration and less friction.

The pressing need to deal with the single and relatively simple fringe issue of sick leave, outside the machinery of collective bargaining, calls for greater skill than most employers have acquired. The employer is no longer free to

move unilaterally in the creation of such a plan. The problem of sick leave is definitely within the legal scope of collective bargaining, even though in many cases it is not within the practical scope. Entirely aside from the legal aspect, the employer seeking to deal with this problem cannot afford to by-pass the unions which represent his employees. He must enlist their interest and advice. He must accomplish their understanding and approval of the plan, outside the formalities of the labor agreement and negotiations leading up to it.

The whole range of the fringe issues, the welfare problems which are now on the margin of collective bargaining, calls for action by progressive employers which is beyond collective bargaining, but not in competition with it. The exclusion of most of these matters from collective bargaining cannot be accomplished by argument or by any reference to the prerogatives of management. It can only be accomplished by an honest showing that a better job can be done by cooperation outside the collective bargaining negotiations than inside.

This problem is oustanding evidence of the fact that both employers and unions have functions to perform which are beyond the formalities of collective bargaining. Employers must learn to look upon the union officers and even the professional business agents as valuable advisors, as valuable links in the chain of understanding between employer and employee on these fringe issues. Union officials must learn to set aside the political interests of the union, the building of a record of achievements based on bargaining power, in favor of benefits for the workers which can be more effectively arranged without a clause in the contract, without a victory in the process of collective bargaining.

VIII

GOOD OF THE ORDER

EMPLOYERS, union negotiators, and employees as a group frequently penalize themselves by placing too narrow a definition on the purposes of collective bargaining. Reducing such a definition to written words helps to clarify and restrict the bargaining area, of course; but too often it obscures matters of mutual interest outside the contract. It tends to preclude steps toward co-operation which should be outside the actual processes of collective bargaining, but which should be both permitted and encouraged by the bargaining relationship.

Situations where collective bargaining is an obstacle to such co-operative action on the general "good of the order" are found in two widely different frameworks. One is the relationship between an employer and a powerful, conservative old-line union which has the character of the craft union. Such a union produces leadership which usually has little regard for the relations on the job, reflected in what we loosely call morale. The interest of such leaders is usually confined to the simple language of their agreement. The agreement is frequently less than a page in length, sometimes actually a verbal or unspoken acceptance, by the employer, of a typed list of "working rules" supplied by the business agent.

The other common framework is one in which the contract provisions and bargaining demands are detailed, elaborate, and varied. The written agreement tends to become so complicated that it actually hampers good working relations. It attempts to identify far too many items as subjects for ne-

gotiation and contract. It correspondingly tends to discourage any organized co-operation between employer and employees except through the agreement. Frequently this discouragement of co-operation is deliberate on the part of the union leadership. One local union may instruct its members to refuse to serve on a committee to solicit for the Community Chest, because the employer has issued the invitation. Another may decline to designate members of a joint safety committee, even as union representatives, because the contract does not require such appointments. The executive board of one union declined the employer's invitation to participate in negotiating a contract with a medical group, for protection of the employees.

The first of the attitudes described in the preceding paragraphs assumes that the interests of the employees are strictly limited to matters of wages, hours, and working conditions, narrowly defined; that these interests will be handled exclusively by the union; and that employees should be careful not to get tangled up in co-operative activities outside these limits.

The second attitude assumes that there are no limits to the contacts and relationships in which employees are interested; that "working conditions" covers an infinite variety and extent of subject matter; that the union should formally extend and assert its influence over this entire field; and that employees should enter into no co-operative activities with the employer except through the formal procedures of collective bargaining.

A third attitude should be mentioned here as a handicap to good employee relations. It is more fully discussed in other chapters but is also pertinent to this chapter. It is the defensive attitude of some employers against admitting any union representative to the consideration of any subject which may seem likely to expand the area of union influence or of collective bargaining. Even if the subject is obviously one of

mutual interest to employer and employees, such an employer will permit his technical attitude to handicap him in seeking the desired result. He will deprive himself of the best leadership among his own employees, in the campaign for co-operation, merely because that leadership has been recognized through selection as union officers or committeemen.

There is an unlimited field of interests and activities which can best be described and considered under "good of the order." It is futile and usually destructive to debate the question as to whether the particular subject is technically within the scope of collective bargaining, is legally within the definition of working conditions. The important need is for recognition of mutual interest in these subjects, and a willingness to co-operate in the most effective way, inside or outside the mechanical structure of collective bargaining.

Millions of employees are covered by union agreements which are built upon the foundation of this recognition of broad common interests. Following are two quotations, one labeled "General Purpose" and the other a clause under "Union Recognition." They are taken from two contracts which happen to apply to different companies in the same industry. One is traditional with several old and conservative AFL unions. The other is the original declaration of a relatively young CIO union.

GENERAL PURPOSE

The general purpose of this agreement is, in the mutual interest of the employer and employee, to provide for the operation of the plant (or plants) hereinafter mentioned under methods which will further, to the fullest extent possible, the safety, welfare, and health of the employees, economy of operation, quality and quantity of output, cleanliness of plant and protection of property. It is recognized by this Agreement to be the duty of the Company and the employees to co-operate fully, individually and collectively, for the advancement of said conditions.

UNION RECOGNITION

b) The Union agrees that it will co-operate with the company to further the economy of operation and to support the Company's efforts to assure a full day's work on the part of the employees whom it represents, and that it will actively combat absenteeism and other practices which curtail production, and will support the Company in its efforts to promote safety, establish goodwill between the Company and its employees. Each mill will entertain suggestions made by the Union for working out the above objectives.

At first glance it may seem that each of these clauses presents a pious but futile declaration of policy. There are obviously no specific sanctions which can be applied in the case of failure by either party to live in accordance with the creeds set forth. These are actually the most important commitments made by either party to either contract. But there is no procedure set up in either agreement to discipline an employee, or to penalize an employer or a union, for violation of these commitments. It is perfectly obvious that no such provision can be written intelligently. The technical futility of these clauses would be emphasized by any attempt to mechanize the procedures. We can readily see the absurdity of writing down on paper the specific acts or failures to act which would be evidence of violation.

The ultimate test of an enforceable clause is the ability of an impartial arbitrator to identify a specific violation of the clause. He must be able to determine the meaning of the words, in terms of positive acts or failures to act. He must be able to brand a particular act or failure to act as contrary to the positive commitment of the parties in their agreement.

We can recognize the impossible position of an arbitrator called upon to uphold or reverse the suspension of an employee on the charge that he had failed "to cooperate fully, individually . . . for the advancement" to the "fullest extent possible," of the "safety, welfare and health of the em-

ployees, economy of operation, quality and quantity of output, cleanliness of plant and protection of property." He would have equal difficulty in deciding that a union had specifically failed to "support the Company in its efforts to . . . establish goodwill between the Company and its employees." He would be baffled in reaching a decision that the company had failed to "entertain suggestions made by the Union for working out the above objectives."

Even if the clauses were not technically ineffective, even if their observance could be enforced by penalties, the commitments would then defeat their own purpose. Co-operation cannot be enforced by threat of penalty. Good will cannot be established by procedures for assessing fines against the Union or the Company. The spirit of the commitments would be destroyed by the suggestion of police power for their enforcement.

But in spite of the inability of either party to enforce the commitment of the other party, these clauses are far from futile. It has been said that these clauses actually express the most important commitments in the contract. This importance is partly related to the interpretation of the specific provisions in other sections of each of the agreements. These commitments provide the principal indicator of the true intent and purpose of the parties in any other statement in the contract. They supply measurements for the seriousness of questions which arise from day to day in the performance of the contract.

The action of an employee may be a direct violation of an established company house rule. It may be a proper cause for discharge or suspension by the terms of the agreement. And yet an arbitrator may find that the rule itself is contrary to the mutual intent and general purpose under the agreement; it may be a rule which actually interferes with safety or health, or with cleanliness of plant. The holiday work schedule announced by management may be challenged

under the clause dealing with holidays. The propriety of the announcement may be impossible to decide without measuring it against the "general purpose" clause. And open-minded consideration of that clause will usually enable the parties to decide for themselves whether the schedule is appropriate, without reference to an arbitrator. Discussion in the spirit of such a clause usually makes it easy to agree that a proposal either does or does not advance the basic objectives of safety, welfare, economy, co-operation, good will, and so forth.

Such clauses are far from futile, if only for the reason that they give purpose to the contract as a whole and furnish guides to the interpretation of its other clauses. But their main importance is much greater. It is found in their explicit and implicit recognition that there are purposes, attitudes, and active performances, basic in the relations between employer and employees, which cannot be regulated by the wording of a contract or the mechanics of collective bargaining. They cannot be thus regulated or decreed, but they can be acknowledged in such a way as to give life and goals and flavor to every page and paragraph of the technical agreement.

It is a commonplace statement that no collective bargaining contract is any better than the parties who sign it. This is obviously true, and obviously important in the approach to good relations between an employer and a union, between an employer and his employees. But its full meaning is lost if it is taken to measure merely the responsibility of the union, or the good faith of the employer. The value and effectiveness of the contract rest upon a great deal more than the ability and intention of the parties to live up to their written promises. They depend upon a great list of attitudes and intentions which are far beyond the reach of collective bargaining.

These broad "general purpose" and "recognition" clauses are fundamentally important because they recognize

the existence of these attitudes, intentions, and duties which are beyond the reach of collective bargaining machinery. One of them says in so many words that good will can be promoted but cannot be decreed or enforced. Another says in so many words that co-operation is the mutual duty of employer and employees, and that it is the general purpose of the agreement to advance that co-operation. Most emphatic is the implication that good will and co-operation are to be achieved through an unlimited series of activities, contacts, and relationships which are not even mentioned in the contract itself.

The acceptance of these implications, even more than the wording of such a clause in an agreement, conditions an employer to co-operate with a union in achieving the "good of the order." It prepares him to accept the co-operation of the union and its officers in advancing objectives which he would vigorously exclude from the area of collective bargaining. It enables him to see the union officers in the role of leaders, advisors, and spokesmen for the employees, and not solely as advocates trying to get a verdict against him on claims and charges made on behalf of the union members.

Correspondingly, it enables the officers of the union to rise above an attitude of militancy, to rid themselves of the fear complex and sense of insecurity, and to become constructive leaders. It enables them to move into those activities which involve a basic improvement in the prosperity of the enterprise including the employees, instead of limiting them to debates over readjustment of shares in the present prosperity. It challenges them to promote the basic security of jobs in the enterprise, instead of limiting them to insuring the claim of employees to jobs which may be in themselves insecure.

It is difficult for most employers to adjust themselves to co-operation with the unions in many of these fields of interest which are technically and practically beyond the range

of collective bargaining, but which are important elements in the "good of the order." They are reluctant to discuss with a union committee the plans for construction and equipment of a new washroom and locker room, for fear they may be subjecting themselves to collective bargaining demands that the union be consulted on all future construction, that eventually union approval may be required before any construction is undertaken. They are unwilling to discuss with union officers the method in which the corporation's annual report is to be made available to employees, for fear that this consultation may serve as a precedent for demands that the union committee be given a monthly statement of profits or costs or financial condition. They are allergic to discussing production standards, or costs, or quality requirements, because they do not want these questions projected into the next collective bargaining session.

These attitudes and fears are both logical and justifiable. The fears cannot be eliminated quickly, nor can the co-operative relationship suggested in these paragraphs be established suddenly. It actually exists in thousands of establishments at the time the first collective bargaining agreement is reached. It can be greatly expedited in others by the constructive acknowledgment of the need for it, reflected in the two contract clauses quoted above. It demands the mutual realization that the union leadership has a duty to represent employees in matters which are outside the terms of the contract and outside the scope of the grievance procedure. It demands a willingness on the part of the employer to recognize the union as his employees, rather than as a grotesque institution or an outside agency; and to recognize the union officers as spokesmen for his employees in their whole range of interests, and as spokesmen to and leaders of the employees in the same wide field.

This progressive recognition by the employer must not exclude or obscure the realization that the union as an entity

has certain proper interests of its own. Mention has already been made of the fact that the leadership of the union cannot be expected to function in the promotion of co-operation and goodwill, as long as it must function in the defense of the organization itself. It is to the interest of the employer to co-operate with the union in hastening the day when the union as an entity can realize that its institutional or political existence is not in danger of attack or sabotage by the employer. A realistic analysis of this need has been made in an important publication of the Yale University Press, *Mutual Survival.*[2]

If the other conditions of daily life in the industrial or business establishment are right, the assurance of the necessary security for the union can be provided more easily as well as more safely. If there has been friendly and intimate co-operation with employee groups on the general "good of the order" before the days of union organization, there is a high probability that organization and initial collective bargaining relations will be smooth. But if the first collective bargaining is carried on in an atmosphere of mutual distrust and suspicion, with a demonstration of union aggressiveness and employer defensiveness, there is a pressing need for attention to the areas that are outside the scope of collective bargaining. In such a setting there is a challenge to employer initiative to enlist the organized co-operation of his employees, through the organization that they have chosen.

The major reason for creating organized co-operative relations in this field is not the hope of excluding border-line questions from the bargaining conference. That reason in itself might justify the effort, but is likely to endanger the success of the effort. The major reason is the simple fact that these activities for the "good of the order" must be accomplished for their own sake. Their accomplishment re-

[2] E. Wight Bakke, *Mutual Survival—The Goal of Unions and Management.* New Haven, 1946.

quires co-operation by employees, individually and collectively. It is natural to invite this collective co-operation through the collective agency which the employees have created or selected. It is usually safe to do so, certainly safer than to attempt to by-pass their union organization or to duplicate it with a variety of other committees or associations suggested by the employer.

These are the essential conditions which must precede real progress in this field: The right of the union to speak for employees must be taken for granted. The good faith of the union officers and committeemen, and the correctness of their statement of employee attitudes, must be frankly assumed. The exclusive right of the union to be the channel for all dealings within the scope of collective bargaining must be acknowledged as a matter of course. The mutuality of interest in a variety of subjects outside the field of collective bargaining must be recognized. The employer's recognition of this mutuality of interest must be demonstrated by his willingness to discuss various subjects with the same organization spokesmen who represent his employees within the field of collective bargaining.

On these assumptions, rapid progress can be made in the development of co-operation for the "good of the order" along many roads, all of which lead to understanding in industry. One plant may have such problems as better mass transportation, parking facilities, winter shelter for parked cars, a convenient location for a service station. Another may have the problem of a recreation program initiated by employees but needing company support. One may have an unsatisfactory relationship with a hospital or medical association for the care of employees in cases of illness or non-industrial accident. Another may need understanding and group co-operation in an effective program for periodical physical examinations. There may be a community need for a playground or swimming pool which will serve chiefly the

children of employees in the plant, a need for better support of a community fund or a community musical program. There may be problems of better vocational training programs in the public schools, and particularly vocational training for adults which will fit them for better jobs in the industrial plant.

More often than we realize it, there is a need for employee co-operation, specifically for union co-operation, in the proper reception of outsiders who are permitted or invited to visit the plant. Closely related is the occasional need for co-operation in planning and conducting an open house, or a special visiting day, a program which will make the people of the community, and particularly the families of the employees, acquainted with the facilities and activities of the enterprise.

All too often there is a lack of interest and activity on the part of employees when their own interests are indirectly threatened by some public or official attitude, some proposed legislative measure which will seriously injure the enterprise as a whole, and curtail its ability to provide jobs. In such a case, management has always found that the lack of employee interest is directly traceable to the lack of understanding of the threat, and that this understanding cannot be accomplished under high pressure. Such understanding is the fruit of long and continuous sharing of information, and such sharing can be effectively achieved only through a long process of frankness and co-operation.

The "good of the order" includes an endless list of subjects of mutual interest, some large, some small. It includes facilities, activities, information, adjustments, the hundreds of things which give comfort and satisfaction and self-respect to employees. It includes the measures and steps which give stability and prosperity to the enterprise, and consequent security to its employees.

As long as management tries to do everything single-

handed, it drives the union to the search for activities which will emphasize the importance of the union, and consequently give a degree of self-importance to the employees who are the union. As soon as management seeks and accepts the organized co-operation and advice of the employees, particularly through the union which is their organization, it has emphasized its respect for the employees and the union; it has given to both of them a constructive opportunity to be important; and it has created the machinery for achieving the "good of the order" through co-operative planning and action, where collective bargaining cannot be constructively employed.

IX

AS SOON AS THE INK IS DRY

THE MASS of problems which are outside the scope of collective bargaining is in evidence immediately after the signing of an agreement between the union and the employer. In any going concern, the next shift of work after the new agreement goes into effect involves an almost infinite number of problems, decisions, actions, attitudes, and contacts which have not been, and could not be, provided for in the agreement itself. Many of these relationships will be influenced or modified by the terms of the written agreement. Some of them will actually be created by some provision of the agreement. Most of them have not been touched upon, directly or indirectly, in the process of collective bargaining. On the first day of the term of the new agreement, some of these relationships begin the conditioning of the parties for the negotiations of the following year.

If the new agreement is the first one which has been negotiated in the employing unit, the existence of these problems beyond the scope of collective bargaining is likely to be emphasized. It is likely to be noticeable because of the vague surprise which it brings to both employer and employees. At the end of their first collective bargaining negotiations, both employer and workers are likely to assume that all their relationships for the coming year have been settled and agreed upon, written up in proper language, and made into a binding contract. The first day is likely to bring surprises, doubts, disappointments, and dissatisfactions. There is a necessity of continuing a practical and flexible and mutually satisfactory relationship in the hundred details of daily life in the place of work. Most of these details are not mentioned in any "whereas"

or "it is mutually agreed" or "provided, however" in the agreement. Continuing this relationship may or may not be more difficult as the result of the negotiations. The task is almost sure to be affected in some ways by the legal and psychological results of collective bargaining.

The attitude of managers and supervisors has frequently been changed by the experience of the negotiations. It is not unique to hear such a change expressed by some manager or foreman, in words something like this:

"Well, they wanted a union and a contract. Now they've got it, and by all that's holy, they are going to have to live with it. I'll do what the contract says and no more. I've been easy on Joe for coming in late when his wife was sick. The contract says employees are to be on the job at the starting time and I'm going to teach Joe that this means him.

"And there's Mike with his lame back. When he sat in on the bargaining committee, he forgot all about the hundred times I've tried to pick the easy jobs for him. Okay, so I'll forget it, too. From now on, he gets the jobs just as they come, easy or hard. If he can't stand the pace, that's his funeral. If he wants to trust the union contract instead of trusting me for the kind of treatment I've always given him, he can have his union contract, but he can't have both."

More than one manager has been heard to express, sadly and sincerely, a change of attitude toward the individual workmen in his plant. "I've known most of these boys for years and I've honestly tried to treat them as friends rather than employees. In spite of all that, they have chosen to join a union, to trust their interests to men who make demands on me, to seek the protection of a written contract instead of trusting to my goodwill and my judgment. If I live to be a thousand years old, I can never forget this, and I can never feel the same toward any of them."

There is likely to be a change also in the attitudes of all the intermediate people who have responsibilities in connec-

tion with employee relations—the personnel man who does the hiring, the timekeeper, the safety supervisor, the quality inspector, and the manager's secretary. All of these are likely to be impressed by the fact that every action taken by them may become subject to criticism and protest and even reversal, because of some new and untried provision in the written contract. Instead of the flexible and adaptable and usually unwritten rules under which they have been working, they feel that they have now been placed under the specific and rigid provisions of a written instrument.

There is almost sure to be some change in the attitudes of the workers themselves. If anyone has a pet grievance, he is likely to welcome an opportunity to test the protective power of the new agreement. If anyone has been harboring a concealed antagonism toward a certain supervisor or a certain inspector, he is likely to welcome some overt act which will enable him to bring the new machinery into play. He would like nothing better than to be able to trip the so-and-so, have the grievance committee carry his case up to management, and have the foreman or inspector reversed by management, "taken down a peg or two," under pressure of the new contract.

These possible changes in attitude are typical of scores of others. Where enough of them occur, the result can be the almost complete breakdown of discipline and morale and efficiency. This has been the history in real life, in a sufficient number of cases to illustrate the point.

But the common experience has been entirely different. In spite of the changes in mental attitude which are inevitable, the general rule has been that work goes on during the day and days following the signing of the new agreement, very much as it went on before. The foreman says "Hello" to Joe if he comes in a little late, and asks how the wife is feeling this morning. When Mike moves up toward a particularly heavy task, the foreman is likely to need Mike in another

part of the shop for something which is less of a strain. The timekeeper and the quality inspector usually continue to do their tasks as accurately and honestly as before. The average worker gets to work on time, carries no chip on his shoulder, and continues to do his work to the best of his ability.

As the days add up to weeks and months, the realization grows that most of the relationships in the working life have not been changed by the collective bargaining agreement; in fact, that they are not even mentioned in it. The written contract may be as short as one page, or as long as fifty pages. Regardless of length, it leaves untouched the vast majority of the details, contacts, responsibilities, and responses which add up to the sum total of life on the job.

The existence of this vast area beyond collective bargaining is specifically recognized in a few collective bargaining agreements. But most labor contracts recognize this untouched area more emphatically by taking it for granted. It is tacitly and implicitly recognized in the average labor contract, by the obvious avoidance of any attempt to make it the subject of negotiation.

On the morning after negotiation of a new contract, most of the functions in an industrial plant must be performed just as they were the day before. This applies to those functions which deal with material things, but it applies with equal force to those functions which deal with the relations between people.

On the physical side, the purchasing agent must continue to scour the market for scarce materials and supplies, and to obtain satisfactory prices, quality, and delivery dates. The plant engineer must arrange for the immediate repairs, the need for which was discovered last night. The program department must allocate the new orders to the proper departments and machines. The painter foreman must see that his ladders, scrapers, brushes, and paints are ready for repairing the shipping room. The shipping clerk must see that his

stock is arranged for convenient handling while the painters are at work. The traffic manager must continue to check on the unloading of incoming cars to avoid demurrage, and on the availability of outgoing cars to move the products to the customer.

On the side of personal relations, the employment office must hire the four extra warehousemen needed by the shipping clerk. The machine shop foreman must spend some time with Jack, his best machine man, helping to train Bob in the operation of the new milling machine. The inspector must explain the quality specifications on the new order to the straw boss in the finishing room, and help him to plan ways in which the specifications can be met.

There is the problem arising from the visit of the attorney who calls on the office manager to discuss the garnishment which he intends to serve, in the effort to collect the doctor bill from Eddie Doakes. It is the first time there has ever been any sign that Eddie neglected to pay his bills. There has been some trouble with some of the other boys, but Eddie, with his wife and two children, with his own home more than half paid for, is not the kind of employee who involves his employer in garnishments. Of course, someone must talk to Eddie, probably the assistant manager, who once was Eddie's foreman. The discussion may bring out that there is a disagreement between Eddie and the doctor over the amount of the bill. It may develop that there was also a hospital bill which took all of Eddie's ready money, and he needs time to pay the doctor. He may even need an immediate advance on the wages not due until next week. Union or no union, contract or no contract, the problem of Eddie's doctor bill and the possible garnishment must be faced.

Then there is the visit by three employees to the personnel supervisor to ask if the company will help to pay for the new equipment for the plant soft-ball team. They have never thought about passing up the soft-ball competition because

the plant has been "organized" and a union contract negotiated. Perhaps they are a little uncertain as to how the management will feel about helping out on this deal under the new conditions, but they can't lose anything by trying. And so there is another problem to be faced, which is not covered by the contract.

Three other boys are coming in to talk again about the question they brought up last week. They are junior draftsmen—very junior, in the engineering department. They wanted to know whether the company would help them to pay for a two-year correspondence course in engineering. They were told last week that the management would think it over; must think it over, because it might lead to similar requests in other departments. Now they are back to add something to the management's thinking. They have been talking to some of the fellows, and there are four boys in the office who want to take correspondence courses in accounting, two in the lab who want chemistry, and Louie in the traffic department who wants a course in traffic management. They not only need some help to pay for the courses, but they honestly believe they will work harder at them if they know the company is helping to pay for them. When it comes to deciding this question, the nice, new, black-and-white union agreement is no help.

Week after next comes the quarterly date when it is planned to recognize employees who have completed five, ten, or twenty-five years of employment with the company. It has been customary to ask the employee receiving the longest-term emblem at each presentation to say a few words on behalf of the employees. This time it happens that the longest-term emblem is the twenty-year badge for Elmer Ellis. But Elmer is the president of the new union local. He sat in on the negotiations, and not all his remarks were complimentary. Should he be allowed to think that his attitude and actions made no impression on the management representatives?

Should he be made to feel that the company is still glad to have him as a member of the team, glad that he is starting his twenty-first year of service? The contract does not say, but common sense has a rather definite answer. It is just one more question which must be decided, one more detail in a picture of good employee relations, which was not covered by the collective bargaining agreement signed last night.

Harry Hand was worried last month when he got the eviction notice. The rented house in which he lived had been sold to a veteran. The personnel supervisor helped him to locate another house, and he is going to move, next week end. But Harry is a gate watchman on the 4:00 P.M. to midnight shift, and he has found out that there is no bus on which he can ride to the new location after midnight. The personnel man checks, and finds that there is no one else driving home in that direction after midnight. Harry is too old an employee to let go, and so the only answer is to change him to the day shift. That means that Larry Lang, who has the day shift and lives close to the plant, must be persuaded to take the four-to-twelve shift. It must be worked out on a human and personal basis, without any help from the new labor agreement.

On the first day, or on days that follow quickly, there are many other questions which do not appear to be covered by the collective bargaining agreement. There is the renewal of the contract with the local doctors and hospital for the provision of medical care for employees in cases of illness or off-the-job accidents. There will be the organized solicitation for the Community Chest and the Red Cross. The First Aid Training Classes will be resumed in the fall. The Suggestion System needs a new shot in the arm.

As soon as the ink is dry on a new labor agreement, both employer and employees find that most of the phases of their daily relations have not been covered, either in their contract or in the discussions which produced it. When it is the first agreement in the plant or company and the little prob-

lems are not well handled, each of them is likely to go out and get a little black book, in which to write down the things which must be attended to, in the negotiations next year. Many such items are remembered, and the second agreement is almost always more complex, more wordy, more "messy," than the first. But as soon as the ink is dry on that contract, they are both faced again with the realization that human relations cannot be reduced to words in ink on paper.

Maturity in collective bargaining, and in employer-employee relations without collective bargaining, is characterized by growing recognition that the big task of getting along together, understanding each other, lies outside the proper scope of collective bargaining, written contracts, and printed shop rules. That big task is typified by the variety of problems, questions, contacts, and relations which begin to appear as soon as the ink is dry on any union agreement.

X

SELECTING THE NEW EMPLOYEE

THE NEW EMPLOYEE enters the field of industrial relations through a gate casually known as the Employment Office. The name of that office varies from company to company. The functional content of the employment office job varies much more widely. No matter what may be its actual duties in any one establishment, the office or the person doing the hiring exerts an important influence over the whole spread of employer-employee relations.

As long as the closed shop was legally permissible, some local unions performed many of the functions which are found in the employment office of most business and industrial establishments. Even under the tightest closed-shop contract, the local union did not and could not take over the whole job of adding a new employee to the group. The local union took over the job to different degrees in different situations. There was always a considerable function left to be performed by the employer. The employer did not always perform this function, or even recognize it. But this is equally true of situations where the employer did his own recruiting and hiring without a closed-shop contract, or even without any union relationship.

The closed shop is now forbidden, in any enterprise affecting interstate commerce, by the Taft-Hartley Act and the earlier Railway Labor Act. It is prohibited in intrastate commerce by the laws of many states. However, it is still important that we view it historically in order to appraise the tasks of management in the employment of new workers. In its original and ideal form, the closed shop assumed the exist-

ence of a fraternity of workers possessing certain specific skills, a fraternity of carpenters, or of typographers, of glass blowers, or of any one among some sixty other distinct crafts. To each of its members, the fraternity supplied a certificate of membership which served as evidence that he had acquired the skills and knowledge involved in the craft, usually through a long and systematic apprenticeship. It also signified that he had attained a sense of responsibility for the performance of his work, and in large measure it guaranteed that the fraternity would ensure his responsibility, as well as his competency. Because of the customs of most such unions, the card also signified that the member had qualified "on general principles." That is to say, in modern parlance, he had been found personally and socially acceptable.

In this original and ideal form, the closed shop involved very little of the effort to bar competent workmen who were not members of the fraternity. In general, the only means by which a young man could attain the competency of the craft was by serving an apprenticeship under journeyman workers. The journeyman workers were almost invariably members of the craft fraternity, the union. The graduate apprentice automatically became a member of the fraternity; his membership card was his certificate of graduation. It followed that the fraternity, in its insistence upon a closed-shop relationship with the masters, was not primarily protecting itself against competitive workers who might offer to do the work at a lower price. This type of self-protection was certainly present, but it was incidental to the other protections which gave power and value to the fraternity, and dignity to the craft. One of these was the protection of the reputation of the craft based on the quality of work done by its members. Another was the protection of the employer against incompetent or irresponsible workmanship.

The beginnings of this original and ideal aspect of the closed shop are obscure. It is reported that explorations on

the site of ancient Carthage revealed a closed-shop contract of the ideal type covering the building trades engaged on the construction of public buildings. When the original aspect began to fade, or to be adulterated, is also uncertain. It seems to have been the dominant pattern as late as the middle of the nineteenth century. The closed shop lost its principal economic function, and became a desperate defensive weapon, with the rise of thousands of semiskilled occupations during the early part of the present century.

The expansion of mass-production industry made possible the employment of millions of workers, unskilled or semiskilled, to produce results which had previously required the highest skills of craftsmen. Many of the resultant jobs were given the same titles as those which had previously designated the conventional journeymen. The availability of automatic machines and machine tools, semifinished parts, or completed parts ready for assembly, discounted the skills required of craftsmen on the actual jobs. Untold thousands of men were able to attain sufficient skills without the traditional apprenticeship. The immense production job of World War I, and more recently of World War II, produced hundreds of thousands of "90-Day Wonders." The politically dictated union arrangements required almost all of these workers to become members of some union; in World War I, it was almost always a craft union.

The years 1917 and 1918 practically marked the end of the universal value of the union card as a certificate of competency in many of the crafts. Whether the war-trained machinist or boilermaker or electrician continued his union membership or not, he was able to call himself a craftsman. In some cases he had a skill fully equal to that of the member of the craft fraternity. In most cases he had limited and specialized skills, and the kind of work habits which could be expected from rush work under cost-plus contractors. The years from 1919 to 1933 saw a mixture of competent and in-

competent members in the craft unions, and a mixture of union and nonunion members among the competent craftsmen. A membership card was no longer a certificate of competency, and the lack of a card no longer carried a strong suggestion of incompetency. There was a steady decline in the actual membership of the principal craft unions, a steady increase in the volume of construction and other craft work performed by nonunion workers.

The years following 1933 saw the rise of industrial-type unions. Their memberships eventually included hundreds of thousands of craft mechanics, both competent and incompetent. They covered and enrolled most of the "90-Day Wonders" in the shipyards and aircraft plants of World War II. Their membership cards never professed to carry any guaranty of craft skills.

Most of the old-line craft unions met the competition of the industrial unions by adopting the same form of organization. Some of them followed the practice of designating the occupation of each member; stenographers, janitors, and ditch diggers in public utility companies are frequently members of the International Brotherhood of Electric Workers, although their membership cards may designate their occupations. Other craft unions organized subsidiaries to enroll miscellaneous workers. Examples are the Printing Specialty Workers unions chartered by the International Printing Pressmen and Assistants, the Lumber and Sawmill Workers chartered by the International Brotherhood of Carpenters and Joiners, and the Warehousemen's unions chartered by the International Brotherhood of Teamsters. Members of the teamsters' union are operating breweries, roofing mills, and soda fountains.

In effect, the craft unions originally controlled the supply of competent workers in the craft. The closed-shop relationship was almost automatic, and its recognition by contract was incidental. It rendered a service to the employer as well

as to the members. During the last twenty-five years, such unions have largely lost their control over the supply of skilled craftsmen. As they have become miscellaneous unions, their membership cards have become less and less certificates of competency. The membership card in the industrial type of union has never professed to be a certificate of competency. The closed-shop relationship was transformed from one based on the control of the supply of competent craftsmen, into one based on the contractual or political control of available jobs, control by the union instead of by the employer.

It should not be assumed that there are no occupations in which the union membership card today is not a certificate of competency. The condition varies from city to city, but there are many trades in many cities, in which no skilled workman is available who is not a member of the union, and any member of the union is reasonably sure to be a skilled workman. This survival of the reliability of the union card will be found in most of the building trades and printing trades, and many of the metal trades, throughout most of the northern and western portions of the United States. Without the closed-shop contracts which have been outlawed, intelligent employers will continue to seek new employees among the members of the union. Some employers have agreed voluntarily to patronize the union as an employment agency. This theoretical use of the facilities of a craft union, without a closed-shop relationship, helps to emphasize the part of the job which an employer must do for himself in the addition of a new employee to his working group. It helps to describe more clearly the part which he always needed to do, even when he operated under a closed-shop contract.

In contrast to the exceptions described above, management is usually on guard against any attempt of a union to influence the selection of new employees, where the union has not been the official agency to supply new workers. This

attitude is understandable and usually justifiable. But it should be tempered by recognition of the proper interest which a union has in the selection.

The president of a company employing some 15,000 workers was engaged in an "adjustment" conference with the head of the union which represented most of those workers. He relieved his irritation by a denunciation of the union for the low-grade, shiftless, unreliable, trouble-making type of people who were its members. The union head was the kind of loud-voiced, oversized individual who usually relied on the tactics of noise, profanity, and toughness. This time he listened quietly until the corporation executive stopped for breath. Then he said, softly and slowly: "John, you are absolutely right. I could say a great deal more about why I am ashamed of the caliber of our members who work for you. In fact, I'll say it is a —— —— crime that you hire such —— —— tripe and we have to take them into our union. Why don't you hire the kind of men we can both be proud of?"

The representative of another union made a special visit to talk to a headquarters executive of a large corporation. He apologized for discussing a matter which concerned a single branch plant, but justified himself by the statement that he had talked to the local manager several times with no effect. He said: "I'm worried about what is happening to our Local Union at ———. The quality of our membership is on the down-grade and pretty soon we are going to have a problem on our hands. I have told Mr. Blank that he ought to be a lot more careful about the new people he hires. We certainly can't refuse to accept them as members, but we certainly don't want our Local to be made up of the kind of ignorant, dirty, disloyal people he has been hiring lately."

The new employee is selected carefully, in a well-managed company, to meet certain standards. He is tested or investigated as to his skill, intelligence, physical ability, and

any other measurable characteristic related to the work. How much attention have we given to his ability to become a welcome member of the social group into which he is being injected? Under the old closed-shop routine, he was already an accepted member of the formal group, before he came to work. Under a strict union-shop routine, he must eventually be accepted as a member of the union, or the employer must discharge him and start all over again on a new selection. Such contracts are still the minority pattern even in unionized plants. With or without a union contract, the selection job is an employer responsibility. One of the most important and most neglected standards of selection is the fitness and acceptability of the new employee as a new associate of his older fellow employees.

Whether an employer recruits his new workers through the office of a craft union, through a public employment office, or through a private employment agency, he expects certain standards to be observed. If he places an order for three carpenters with any one of these three agencies, he expects the men who are sent to him to be carpenters, men who have worked at the trade and have been paid the wages of journeymen. If he places his request with the union secretary or business agent, he understands that the first three men sent to him are likely to be those who have been longest on the list of unemployed members. If he is dealing with a public or private employment agency, he may or may not know what priority is used in selecting the men sent. In either case, he expects reasonable attention to be given to his specifications; that is, if he asks for finish carpenters or cabinet makers, he does not expect to have to interview men who are admittedly rough carpenters.

He is not required to engage the first three men who are sent to him from any agency. He was seldom required to do so even under the old closed-shop arrangement. He usually expects to perform a further process of sifting and selecting.

If the work is sufficiently important, he is likely to want to check some references. He may substitute a trial on the job for a few hours or few days. He may be performing a contract for public construction which requires citizenship; if so, he will check on this qualification. Assuming that he finds the referred men fully acceptable, he must assign them and introduce them to the foreman. He must see that they are given instructions as to sanitary facilities, tool storage, and any special arrangements as to hours, records, material issues, and similar details.

Regardless of past or present union relationships, the average industrial and commercial employer does not depend upon either a union or an employment agency to do his recruiting. In the great majority of cases he has developed other methods of locating his new workers. No matter what process of recruiting he uses, it brings him into his first contact with the prospective new worker.

At the same time, one additional person has come into contact with the employee-relations practices of a particular employer. Whether the employer completes the hiring or not, whether the person who is interviewed takes the job or not, that first contact is important. Properly handled, it adds to the prestige and reputation of the employer. It improves his ability to recruit other workers, and in many instances, reacts favorably upon his relations with persons already on his payroll, sometimes an old employee whose younger brother is the new applicant. Badly handled, it starts the circulation of reports and rumors that the "Window Widget Works" is no good, that the employment office won't give a man a chance, that you can't get a job there unless you can get past the snippy, nosy, young squirt in the employment office.

During the depths of the depression, a large department store closed its employment office. It had no jobs to fill, and it concluded that maintaining an office to say "No" to a hundred applicants every day was an unnecessary expense. The

manager of the store saw a dramatized demonstration of some eighty wrong ways to handle an applicant or a new employee, in the interviewing process. He saw the reverse possibilities of eighty right things to do in such an interview. He immediately reopened his employment office and charged the cost to advertising. He remarked to an associate that he could think of no other equal opportunity which his store would have to win the friendship and respect of a hundred people every day. He still had no jobs for them, but he believed his representative could tell the applicants that bad news in such a way as to make friends of them, friends who would remember that store and its treatment in the better days when they had money to spend.

This was a worth-while investment toward making friends and potential customers of people who currently had no jobs and no money. It should be obvious that any investment necessary to make a friend of a new employee or prospective employee is a good investment. Unfortunately, the literature of employee relations, dealing with the particular subject of recruitment and selection of new employees, is rather scarce. There is a need for a broad exchange of experience in this task. There is a need for that experience to be interpreted and supplemented by the application of sound psychology. The employers and establishments which have done an adequate job in this particular function are probably almost as scarce as the printed material dealing with the function. It is a more important part of good industrial relations than most employers have recognized. Because it is the first exposure of the new employee to the industrial relations program of the company or the establishment, it is sure to color his entire future relationship with the new employer.

In the future studies of this function, we shall expect to find a discussion of the physical arrangements for the interviewing of a new employee or an applicant. There will be studies of the special training needed by the interviewer in

this field. There will be an exploration of the use of job descriptions, including certain aspects of temperament and attitude which have been almost completely overlooked until recent years. There will be advice on preparing specifications to indicate whether the vacancy needs a man who works best by himself, or as a member of a group; a man who works best doing what he is told, or one who can make his own decisions promptly on new situations or new variations of old situations. The studies will pay more attention to the different types of intelligence required by different occupations—attention at least equal to that given to special physical requirements.

All these and a great many other necessary preparations must be made before the applicant is interviewed, or even before he is invited to come in for the interview. The employment office of the future will be inadequate unless it is fully and currently informed on all local problems such as housing and transportation. The interviewer will need skill and intelligence in presenting the customs and requirements of the particular establishment, the nature and purpose of the pre-employment tests which are used, the value of physical examinations to protect the applicant himself against unnecessary hazards, the safety, smoking, and other rules which he must observe.

The good job at the employment office will include the assurance that the applicant knows something about the establishment and the company, its purposes, its standing, and its policies which will have a direct bearing on his relationships within the plant. It will include a discussion of union relationships in such a way as to demonstrate a sincere respect for the employees as individuals, and for the agencies which they have chosen to represent them. If there is a union relationship which involves the existence of shop stewards or shop committees, the induction procedure should include the introduction of the new employee to a responsible represen-

tative of the union, as well as to the foreman or straw boss with whom he will be directly working.

Considerable space might be devoted to the mechanical steps which are necessary, whether the employment job is well done or poorly done. The fact that these steps are obviously necessary does not guarantee that they are always taken. Some large establishments have a printed check list of things to be done by the interviewer when a new employee is being examined, tested, hired, and inducted. The number of items appearing on such a check list is likely to be shocking to the average employment officer who does his job in a haphazard way. In general, the list represents things which positively should be done in order to give the new employee a proper initiation into the employee-relations program of the company. They should be done to give the rejected applicant a proper impression of the company.

There is a combination of complex and delicate tasks in this process. It includes the locating, interesting, and interviewing of the prospective employees. It includes the use of various tests ranging from the simple application blank and checking of references, through tests of mental maturity, interest, temperament, and physical condition. It includes the task of making the employer and the job acceptable to the applicant who has been found acceptable to the employer. For the man who is hired, it includes a number of steps suggested in the following chapter.

Particularly to the large employer, this process is so important that it cannot possibly be overemphasized. In general, he should have been carrying on almost all of this process, when and if he worked under an absolute closed-shop contract. Without a closed-shop contract today, and with or without a union contract of any kind, the wise employer will make whatever investment is necessary to do this job, and do it well. It is the first step in building good employee relations with each new employee. It will prove its value, and

the value of the whole employee-relations program, by holding down the turnover which is so highly concentrated among new employees.

It is the phase of employee relations which is first in time as far as the new employee is concerned, and almost first in importance.

It is a phase of employee relations which lies outside the scope of collective bargaining, a phase which cannot be incorporated into the union contract, a phase for which the employer must take full responsibility, with or without a collective bargaining relationship.

XI

STARTING THE NEW EMPLOYEE

THE PROCESS of selecting the new employee, discussed in the preceding chapter, culminates in two decisions. The first is the decision by the representative of the employer that the person being interviewed is acceptable to the firm or establishment and acceptable for the particular job. The second is the decision of the candidate that the employer is acceptable to him as his employer.

If the selection process has been thoroughly carried out, the employer can be reasonably sure that the employee is satisfactory. The techniques have been so well developed that there is no need to rely on the trial and error methods of the past. There is no need to put the new employee to work and then watch him for two weeks to see whether the employer really wants him or not. There is no need to endanger the poise and efficiency of the new man by warning him that he is on trial and that the employer has some doubt of his desirability. There is also no need to put him to work on the assumption that he is considered completely satisfactory, and then to make an enemy of him by firing him at the end of the first pay period because he was found unfit or unsatisfactory.

The decision of the worker that the employer is satisfactory to him can seldom be made with equal finality. He still reserves the right to try out the job for a week or two. He may have a substantial fund of evidence that this is a good place to work, but he still needs to find out for himself. On the docket he may have the enthusiastic comments of his brother-in-law. But the brother-in-law has a sweet job as assistant shipping clerk, and the shipping clerk himself is a "right guy." The new employee may have an accumulation of

favorable impressions from chance items in the newspaper over a period of a year or two, the good way in which the union has been able to renew its contracts, the activities of the plant soft-ball and basket-ball teams, the public dinner at which the long-service emblems were presented, the story of the graduation exercises of the company school.

He also has all the stuff which the employment man gave him, the information about wage rates, promotions, the union relations, safety, lunchroom facilities. It all sounds good. He has seen the plant buildings, and has talked to the Old Man in the department where he is to work. Yes, it all looks good, but a fellow can't be sure until he tries it out. Suppose he has to team up with an old so-and-so who expects the new man to do all the hard and dirty work? Suppose he lands in a crew where the old-timers gang up to make it tough for a new fellow? Suppose the straw boss turns out to be a heel, instead of a regular fellow like the foreman? Suppose some payroll clerk wants to argue about the rate which the employment man promised hm? Suppose the shop steward has a knife out for him because he wanted his own nephew on the job? Suppose a lot of things out in the plant are just not the way this personnel man thinks they are?

By a careful investment in good methods of selection, the employer has greatly reduced the prospect of expensive turnover. He may have reduced, by 80 or 90 percent, the chance of having to let the new man go as unfit after a week or two. But he cannot assume that the larger prospect of turnover based on the dissatisfaction of the new employee has been measurably reduced. When he takes the job, the new employee has made only a tentative decision that the employer is satisfactory to him.

If jobs are scarce and he needs this one badly, he may keep it without showing any dissatisfaction. That can make him a "steady employee" without insuring that he will ever be a satisfied employee. And a dissatisfied employee, chained

to his job by the need for the pay check, is a focus of trouble. The investment which the employer makes in the new man is not sound unless he gets one who is satisfactory by the employer's standards, and one who finds the employer and the job satisfactory to him.

The new employee has automatically met his future foreman or supervisor, in the selection process itself, if that process is a good one. He knows that he is not going to start with the handicap of being unwelcome because the employment office has handed him to the foreman against the latter's wishes. He knows, in fact, that the final decision that he is wanted and welcome was made by the foreman. As a start, this knowledge is indispensable.

Since he has been so carefully selected, a substantial further investment is justified. If he is expected to become a permanent member of the team, that result can be greatly advanced by giving him a visual understanding of the enterprise as a whole. Although it is relatively new, the conducted plant tour for a new employee, before he goes to work, has already become a definite part of good induction procedures. It has opposition among some intelligent employers. For instance, they point out that the new man is usually hired for the least desirable job. They believe it will generate dissatisfaction to show him through the pleasant, comfortable departments and then put him to work in one which is hot, noisy, and smelly. Perhaps so. But perhaps it would be worse if he had to assume that the whole plant is hot, noisy, and smelly, and that there are no better jobs toward which a good man can look.

The conducted tour offers another chance to help make definite the decision of the new employee that he approves of the employer. This is the opportunity, almost the necessity, of explaining problems and even policies, in the process of identifying departments and their functions. This department handles all incoming materials; it has been able to reduce

damage losses by nearly a hundred dollars a day, by the use of the new pallet boards. This department inspects all finished products; it has also saved a great deal of money by showing the manufacturing and finishing departments how to avoid certain faults; actually it saved one customer account which buys enough of our products to represent thirty-two jobs in the plant.

He can see the boiler room, and learn that it uses fuel oil costing seven hundred dollars a day, and that a man in the machine room turned in a suggestion for saving steam which actually did save ten barrels of oil per day; and incidentally, that this employee received over two hundred dollars as an award for that suggestion.

He can see the skilled and experienced operators on the machines, shake hands with two or three of them, especially Henry who has been here for thirty-two years. He is likely to absorb the impression that the company has a sincere respect for skill and experience and long service.

When he finally starts on the job of unloading ceramic clay from tank cars, and gets the fine dust in his nose, and must wear uncomfortable goggles to keep it out of his eyes, and gets the irritation of the gritty stuff on his hands, he knows how this task fits into the whole job of creating the beautiful china dinner sets which he saw in the salesroom. He has gained an acquaintance with the enterprise which should hasten his ability to feel at home. And he has gotten an intangible feel of the organization, from the easy conversation with the man who conducted him through the whole plant.

This conducted tour is orientation rather than induction. Its purpose is not the pointing out of locations of locker rooms, washrooms, lunchrooms and factory entrances, nor instruction for the particular job he is to fill. For this reason, there is a wide range from which to choose the person who conducts the new worker on his tour. With almost equal

logic, the conductor can be a person from the personnel office, or a safety supervisor, or a full-time guide, or an assistant supervisor in the department where the new man will go to work, or a fellow worker from that department. Whoever is chosen must be given a full understanding of the purpose of the trip, and must accept the responsibility of trying to reveal the company truthfully. If such a revelation is not helpful in clinching the decision of the new man to become a part of the outfit, there is usually a rich dividend to be collected in ideas for correcting the conditions which make a bad impression.

The technical details of inducting a new employee have been amply described in the literature dealing with personnel administration. They should be obvious without the literature. And yet they are sometimes overlooked. Employers have sometimes paid the penalty of lost working time and inefficient performance, and the less evident penalties for the worker's feeling of strangeness, uncertainty, and unimportance, merely because he was not properly informed about such simple things as how to punch the time clock and which washroom to use. It is important that he have all the information he needs before he goes to work. The best guaranty that he will have it is a check list instead of someone's memory. But how he gets the information is just as important. It may have even more effect on his decision as to whether this employer and this job are satisfactory to him.

On the job itself, most employers and supervisors have been inefficient in telling the new worker what to do and how to do it. This weakness was both exaggerated and emphasized in the war production program, when nearly thirty million people were "new workers" on their wartime jobs. This instruction is a highly important part of the process of starting the new employee but it is also an inseparable part of the whole training procedure. Therefore, it is discussed more fully in the chapter dealing with training.

In an earlier paragraph it was stated that an employer today need not go to the expense of trying out a new worker for a week or two, before he can decide that the worker will be the kind of man he wants. A much smaller investment in pre-employment tests will give a much better indication of his mental maturity, skills, interests, attitudes, and fitness for specific work assignments and conditions. But this does not reduce in any degree the need for careful and systematic follow-up of the induction of the new employee. The purpose of the follow-up is not to see whether he is proving himself a good worker. It is to see whether he is being fitted satisfactorily into the team of which he is a member. It is a check-up on the employer himself, as to the quality of his supervision, instruction, and working conditions.

This follow-up usually consists of an interview, on company time, by the personnel man who did the hiring. The interview explores as many angles as possible of the way in which the employee has been absorbed into the organization. It uses indirect methods to some extent, but chiefly frank and direct questions. It deals with his own problems of housing, transportation, need for special clothing. It checks any information which he still needs, as well as information he wants as a matter of interest or curiosity rather than need. It "feels out" his attitude toward his particular job, and encourages thinking and suggestions as to work improvement.

This follow-up interview with the personnel man is good, if it is consistent with the actual experience of the man during the week or two he has been at work. If it is not consistent with that experience it is poisonous and dangerous. If the actual work associates, the foreman, straw boss, and fellow workers, have shown no nterest in these same problems of the new worker, the interview in the personnel office becomes evidence of the insincerity or ineffectiveness of the company policies. This is not an imaginary situation. It is a real one, common enough to be an element of danger in the employee

relations of all of us. It is regrettably easy to develop a splendid program of employee relations in the front office, and either try to administer it there, or else fail to enlist the line supervision. "Good employee relations" does not consist of a program or even a policy. It is a way of life.

As an element of this way of life, the real follow-up of the new employee, the assurance of his adjustment into the new surroundings, must be conducted on the job. The interview with the personnel man, after the first week, can be discarded in many instances if there has been the proper and constructive interest by the line supervisor and the fellow worker and the union steward. Such interest is not only an evidence of good employee relations, of a good way of life; it is a very important factor in creating and maintaining that way of life.

One of the standards for selection which is frequently overlooked was emphasized in discussing the selection of the new employee. That standard is his fitness and acceptability to be a member of the working group in which he is to live. Assuming that some attention has been given to this factor in his selection, the desired result is not guaranteed. The task of "fitting in" the new employee after he has been selected and hired is an obvious demand for a practical application of a good employee-relations program. It is an insistent opportunity to put the program to work.

If this task is viewed by the industrial psychologist or the sociologist, it is likely to be described as a problem in assimilation. If it is viewed by the practical supervisor on the job, it may be described as a problem of teamwork. More crudely, the supervisor is likely to register his judgment that "the new guy fits" or that "the fellows just don't take to him" or that "he's either scared of the gang or trying to high-hat them."

Employers who have made real efforts to make new employees feel at home in the plant have sometimes done little about the contacts in which the "at home" result is actually

determined. The new employee may have been loaded with literature, conducted through the whole plant, directed to the time clock, lunchroom and washroom, and carefully introduced to his foreman. From that point it is too easy to take it for granted that the foreman or supervisor will carry on, in the same spirit and with the same skill. The main factor in determining whether the new worker is going to "feel at home" is in the manner of his introduction to fellow workers, and the manner in which they accept him.

Instead of discussing the good and bad techniques for making this introduction, it may be profitable to look at this particular incident in the work experience from a viewpoint which provides perspective. We are discussing the subject of this chapter essentially with the thought of producing desirable results in the attitude of the new employee. That is important; this chapter is written to emphasize that importance, beyond our usual recognition of it. But the wider and longer view, the added perspective, enables us to see also the values to be gained through the effect on the older employee, the way in which good performance in this function contributes to the general objective of good employee relations.

There are many good reasons for removing staff, management, and supervision from the process of induction and orientation, at a much earlier stage than we have usually considered. One reason is that the effect on the new employee will be better. A bigger reason is the far-reaching effect on the older employee.

To illustrate, it is possible to list several steps in the process which can obviously be carried out by an operating employee, at least as well as by a man in a white-collar staff job. As a minimum, such a list would include making the new employee familiar with the employee entrance, location and use of time clocks, locker and washroom facilities, lunchrooms, first-aid equipment, smoking areas, and similar simple but important items, both physical and procedural. Granting

that there are many other things which must be done by the personnel office, it is not difficult nor illogical to postpone any item in this particular list until after the new employee has been turned over to the foreman. It is not difficult to arrange that the foreman will limit his part of the induction procedure so as to leave most of this list to be the responsibility of an older employee with whom the new man is to be directly associated.

The chosen older employee (possibly chosen for that day only) might profitably be excused from his productive work for half an hour or an hour, to show the new man the ropes. He might take him immediately to see such locations as the locker room, washroom, and supply room. He might be the one to introduce him to three or five or seven other men in the same group. He might exchange information with the new man on living accommodations and transportation problems or even invite him to "share a ride" with two or three others who live in the same general direction. He might even be the one to conduct him on the tour of the whole plant.

The older employee might volunteer to take the new man with him at noon, to the time clock and the lunchroom, and there introduce him to a few others. He might offer his services to help on any question that may come up during the morning. In total, the older employee might become an unofficial sponsor for the new man during his first days on the job.

The value of all this to the new employee is obvious, but still needs to be emphasized. Less obvious but much greater is the value of the effect on the older employee. He has been given recognition and responsibility. He has acquired immediate status in the mind of the new man. He has necessarily been invited ahead of time to do such a job, and coached to some extent on how to do it. He has not only been impressed with the sensible concern which management and supervision have for the proper induction of the new worker,

but has been led to make that concern his own. Some very expensive efforts have been made to produce this effect in other ways. The enlistment of the older employee in the process of induction and orientation is probably the least expensive and most direct of all possible methods.

Of course, there is a danger. He may plant unfortunate ideas in the mind of the new man. He may warn him that the foreman is hell-on-wheels every Monday. He may advise him not to exert himself too much or he will kill the job for the rest of the gang. He may plant seeds of doubt as to the sincerity of the company attitude, or as to the ability and fairness of the shop steward. Even so, the odds are in favor of giving him the responsibility of helping to induct the new man, helping to hasten his assimilation. If these tendencies toward destructive criticism arise from actual plant conditions, the mind of the new worker will be promptly poisoned anyway; perhaps more effectively if he has been kept entirely in the hands of the employment man and the foreman, up to this point. If the tendency originates in the personality of the older employee, there is much more than an even chance that it will be curbed by the sense of responsibility and the opening for self-expression brought by the task of sponsoring and guiding the new employee.

The best possible collective bargaining relationship is no substitute for the work the employer must perform in the selection, orientation, and induction of new employees. But such a relationship can be of priceless help to the employer and the worker in this process.

The worst possible collective bargaining relationship does not prevent the employer from doing a good job in the selection and induction of new employees. It does make the good job difficult. But it also makes it infinitely more necessary.

The best possible job of selecting and inducting new workers is not a substitute for collective bargaining, nor a rival nor obstacle to a union. It can be and should be a most

important influence toward creating the best possible collective bargaining relationship. It is beyond collective bargaining in the sense that it is outside the scope of practical contract provisions, and in the more important sense that it goes farther than collective bargaining can go, in the direction of co-operative employee relations.

XII

TRAINING—ALWAYS

TRAINING is looked upon by American employers from many different viewpoints. There are different opinions even as to the meaning and content of the word. There are sharp differences of opinion as to the relation of the training function to the management job as a whole. There is limited agreement on the significance of training in the composite effect which we call good employee relations.

In its relation to collective bargaining, there are very few employers or personnel administrators who will hold that collective bargaining is a substitute for training, or that training can be accomplished through collective bargaining. Unfortunately, there is a defeatest minority which complains that collective bargaining, the union contract, or the attitude of the business agent, has made any effective training program impossible.

The proposals offered in this discussion are fairly simple. The first is the generally accepted one, that collective bargaining is no substitute for training. The second is the partially contested assertion that collective bargaining is no obstacle to an effective training program. The third is that new emphasis must be placed on the importance of training, entirely beyond the area of collective bargaining, and partly because of collective bargaining.

Beginning with the new employee, it is difficult to conceive of a job in which initial training is not necessary, and in which it is not supplied in some form or other. In the chapter entitled "Starting the New Employee," it was impossible to avoid reference to some phases of training. The simple act of imparting the knowledge which he must have in order to find his way around the plant is training in itself:

instructions as to the proper entrance, the use of the time clock, where to hang his coat and hat, where he is to work, with whom he is to work, and who is his boss. Of course, all these are steps in the simplest induction program, but they are the beginning of the training experience which actually should continue forever.

After the induction process has been completed, the situation calls for one of the most critical steps in the training program. The first instruction on how to work, how to perform the job for which he has been directly employed, has a far-reaching effect on the relations between the new employee and his new employer. From the standpoint of physical and technical efficiency, a well-done job of training at this stage will usually save several days' wages, and in some cases, a comparable value in wasted materials. It will greatly hasten his sense of being "at home" on the new job. It will contribute to his efficiency by relieving the strain of uncertainty. It will help to win respect for the new employer, the foreman, and the straw boss, for knowing their business and being able to pass on the know-how.

The war production experience in World War II was characterized by the presence of more new employees on new jobs than had ever been seen in the world before. This condition was accompanied by an unprecedented pressure for speed. The traditional jobs of skilled craftsmen were broken down into an amazing number of separate and simple operations, so that a new worker could learn quickly to do one of the operations. The planning of these job dilutions, the simplification of machinery and processes, the conversion of plants and the laying out of new ones, called for the services of engineers far beyond the numbers available. Men and women from totally unrelated occupations were drafted to perform the functions normally expected from industrial engineers and production engineers. Trainers, training supervisors, training directors were created out of any available

personnel. Vocational schools and trade unions multiplied their facilities for the preparation of people to help with the jobs of electrical work, welding, pipe fitting, and dozens of other occupations which had previously been in the class of high skills.

In the urgent, impatient, but fumbling efforts to achieve production, it soon became evident that the final and effective training must be given on the job, at work, as part of the work. The Job Instructor Training program of the Training Within Industry Division was created to meet the need. More than one and one-half million supervisors were given this minimum training in the one specific task of instructing one worker how to do one operation.

In spite of its emergency function, JIT emphasized elements which had been too often overlooked in the everyday task of putting new men to work, in everyday peacetime operations. Emphasis was given to such essentials as putting the new worker at ease, approaching the instruction from his own background, giving significance to the task. The adaptation of JIT to the general and continuing problems of employment in industry, and its further adaptation to the particular needs of each establishment and each job, provides one of the challenging opportunities of today. A new employee, carefully selected, respectfully introduced and inducted, properly instructed in his first work assignment, provides the essential beginning for good employee relations between one employee and his employer. Regardless of the scope of the union contract or the form of union security, this opportunity belongs to management, this responsibility rests upon management.

Another conclusion which might seem obvious, but which was emphasized by the war production experience, was that this job instruction must be given by a man on the job, a direct work supervisor. Efforts to detach this particular training function from the responsibilities of line supervision brought almost inevitable failure. Such efforts emphasized the fact that

training is an inseparable part of the job of line supervision, and a major element in the function of line management. The preparation for good job instruction for the new employee on the new job was the adequate training of the work supervisor who had the responsibility for assigning the work to the man and supervising the results of his work.

Drawing another lesson from the war production experience, it became necessary to provide other emergency forms of training for line supervisors. Job Instructor Training was necessarily supplemented by skills in planning the work in the direction of simplicity and economy. Job Methods Training was the wartime emergency answer. The demand grew for further assistance in the supervision and leadership of people, as people, on the job, rather than as units in a production machine. Job Relations Training supplied the wartime emergency requirement.

A further lesson was that the preparation of line supervisors for these particular responsibilities required the understanding, support, and participation of higher management. Presidents of large corporations, general managers, plant and shipyard managers, and superintendents "took" the ten-hour sessions. Although a staff man was often named as training director, even better results came where an assistant manager took that function. He thus emphasized the identity of training and management.

The "J" programs of the Training Within Industry Division made a great contribution, although they were far from perfect tools, even for the war emergency. They needed radical adaptation for the more leisurely but continuous and equally pressing demands of peacetime production. Fortunately, they are being subjected to the necessary research, modification, and development for the use of industry generally.[3] At best, they will never be patent medicines for the

[3] Refer to publications of Training Within Industry Foundation, Summit, New Jersey.

needs of any single industrial establishment. They are mentioned here at considerable length because they emphasize the scope of the task which management must undertake, in improving the efficiency of its own team, at the supervisory end of the line.

At best, any such program is valuable as the beginning of a long period of growth and improvement in the skills of supervision and management. Some industrial and commercial companies are committed to a formalized training program which takes on almost academic character. Others are equally committed to a program which never uses a training program in name, and refuses to admit the possibility of separating training activities from all the other daily functions of management and supervision. No matter what the policy of a company may be, as between these two, there is almost universal recognition of the responsibility of management for the continued improvement and development of its supervisory personnel.

The ability of a line supervisor to instruct a new employee clearly about the performance of a new job is one of the objectives of this development. The ability to plan his work and revise his methods in the interest of simplicity and the ability to achieve teamwork in his relations with the workers under his supervision are other objectives which were sought through the TWI programs. The needs of a continuing industrial or commercial enterprise present other objectives. The ability to acquire information about the company organization, finances, products, services, sales programs, policies, history, future plans; the ability to comprehend this information and interpret it to employees; the ability to stimulate the interest and to answer the questions of employees—these are also essential objectives in the development of effective supervisors.

Management is gaining an increasing awareness of the need for the development of abilities by which supervisors

can improve their contacts and teamwork with other supervisors. There is an increasing interest in the extent to which supervisors must understand the organization of the establishment and the company as a whole, the responsibilities of, and the relations between, the respective members of the management team. This development is accomplished through training in the broad sense of the word. It can be accomplished, at least theoretically, through lectures, manuals, bulletins, and letters of instruction. It can be accomplished practically by demonstrations on the job and by adequate opportunities for conferences which have a purpose, discussions which follow a plan. The prejudices of supervisors against training as a specific activity disappear when the same supervisors engage in conferences of their own which have a purpose directly related to their work. They sometimes resent the implication that they need to be taught certain things which they do not know. They welcome the opportunity to discuss their own practical problems, the opportunity that meets a recognized need in their daily work.

An entire chapter of this volume is devoted to the responsibility which rests on management, outside the scope of collective bargaining, to achieve safe working conditions and safe working habits. The available statistics, as well as common-sense reasoning, indicate that an overwhelming majority of accident injuries in industry are the result of human failure, directly, of human failure on the part of an employee, either the one who is injured or the one whose failure caused the injury. The avoidance of these failures by employees is definitely an objective of line supervision. It is as clearly a part of the supervision task as is the avoidance of failures to produce satisfactory work in terms of quantity and quality. The average supervisor, whether newly promoted or of long experience, is a living example of the need for continued development in the skill of supervising men and women in such a way as to avoid these human failures. Guiding em-

ployees to work safely is inseparable from the task of guiding them to work productively and efficiently. The ability to do this delicate supervision job is not the inherent gift of any supervisor. It is the product of knowledge, interest, experience, training. It is not something which can come to the supervisor as the result of a collective bargaining agreement, no matter how much emphasis the agreement may lay upon the importance and desirability of safe work and safe working conditions. It is one more field in which management has an endless responsibility for developing the skills and knowledge and practices of the line supervisors on the management team.

Whether these steps in the improvement of supervisors are called training or development; whether they are accomplished through methods which use the instructor, the classroom, and the textbook, or methods which are indistinguishable from the other perpetual tasks of management; whether the training responsibility is emphasized by the presence of a staff member to stimulate the program and provide technical guidance, or the superintendent or manager combines this staff function with his line duties—regardless of any of these alternatives, the responsibility for training and improving every member of the organization is still the responsibility of management. It is a responsibility which represents one of the greatest factors in the whole program of relations, good or bad, between the employer and his employees. It is one more responsibility, one more function, one more activity, beyond the scope of collective bargaining.

It is proper to consider how a collective bargaining relationship may obstruct or interfere with the function of training, and whether such obstruction or interference is necessary. This is a question different from that discussed in the preceding paragraphs. The fact that training is a need which cannot be supplied by collective bargaining does not imply that there is no relation between the two. Neither does it

justify the careless assumption that the training function can be carried on regardless of the collective bargaining function.

There is little heritage in the thinking of the newer labor unions, from the traditions of the original trade or craft unions. In the chapter entitled "Selecting the New Employee," considerable space has been devoted to the operation of the conventional closed shop, when its principal economic function was that of protecting the employment interests of skilled craftsmen, and furnishing craftsmen of guaranteed skill and ability to the employers who needed them. In that setting, the training of a worker in the basic skills of the craft was accomplished through an apprenticeship. The apprentice was approved and recognized by the craft union; he was indentured to an employer, to work with the skilled journeyman in the trade. The obligation of the skilled craftsman to his union included the obligation to devote himself, in certain specific ways, to the training of the apprentice. The craft union supervised and checked the training of apprentices entrusted to its journeyman members. The agreed ratio of apprentices and certain other specific provisions regarding them were found in the typical union agreement in the craft field. The apprentice rules of the union were adopted, either by specific reference or by verbal consent.

It is evident that in such a relationship, the craft union and its members undertook some of the functions and responsibilities of training, in co-operation with the employer. Time may show that this form of co-operation was one of the values to society which could be found in the old craft union, closed-shop relationship, before the closed shop became a political tool for the strengthening of unions in the unskilled and semiskilled occupations. However, such a co-operative relationship has not been confined to the employments under closed-shop conditions. The activities of the United States Department of Education and of the apprenticeship councils in most of the states, have preserved the essential values of

apprentice training, even in conditions where the collective-bargaining relationship does not include the craft unions in the "apprenticeable" trades.

Aside from the training of apprentices in the recognized crafts, almost no union agreements include definite provisions for employee training. Equally few include any implied restrictions on the function of training. The few restrictions which do appear are so significant that they deserve careful consideration.

In many agreements which incorporate wage-rate schedules, provision is made for "trainee rates" for particular jobs. It is not unusual in such an agreement to find restrictions upon the length of time over which an employee may be paid the trainee rate, or a requirement that at the end of a specified time he must be paid the full job rate. Assuming that agreement can be reached on the length of this trainee period, it is difficult to question the reasonableness of the union protecting its established job rates against the indefinite continuance of an alleged training period, and the delivery of a normal quantity and quality of work in return for the trainee wage.

Reference to a number of agreements carrying the mild restriction mentioned in the foregoing paragraph, does not produce any evidence of an attempt by the union to dictate the manner of the training. However, there are instances of requests for a premium rate to an experienced operator who is given a duty of training new operators. Such premium rates are occasionally paid, either as a result of the union agreement or as voluntary additions to the job rates specified in the agreement. The arrangement has attractive features, even from the standpoint of management. At first glance, it seems to ensure the co-operation of the experienced employee in the training of the new employee. It leaves to the judgment of management and supervision the selection of the experienced employee to do the training.

But at second glance it has an implication which seems to be unfortunate. That is the recognition of training as something distinct from and in addition to the normal duties of an employee. Logic would justify the impression that training is similarly something distinct from the responsibility of supervision and management. In many cases it might be a better investment on the part of management to detach an experienced worker from the production job while he takes the full responsibility for guiding and instructing the new employee on that same job.

Another and more frequent possibility of interference with a good training program is found in the unlimited seniority provisions which are frequently requested, and too frequently granted, in union negotiations. An absolute agreement that selections for promotion to nonsupervisory jobs be made strictly on the basis of seniority is unquestionably a handicap to an adequate training program. It assures the promotion of the senior worker, regardless of whether he has become qualified, or has even accepted the training offered to him. But it is not an insuperable obstacle. Even under the strictest seniority clause, the promoted worker must in some way qualify himself to perform the duties of the new job. A very limited number of failures by men promoted because of seniority, without the preparation which can be had from training, is likely to make training desirable in the eyes of other senior candidates for promotion.

The usual seniority clause, which in effect provides for the application of seniority when other things are equal, should offer no obstruction to a training program. As indicated below, any seniority clause is a spur to management to perfect its training program. This normal seniority clause, in addition to being the spur, also provides an incentive to the average employee to take advantage of every opportunity for training which is offered to him.

There are probably no typical union agreements which

prohibit training. There are probably none which attempt to give union officers any measure of control over the form or content of the training program. There are relatively few which impose absolute adherence to seniority in promotions. In short, any management which neglects its responsibilities for training because of the supposed obstruction or interference in the union contract, is unduly timid and negligent. Any management which shies away from a training program because of belligerent attitude of a business agent or union representative, has a challenge to begin its training program on that representative himself.

A brief consideration is due the proposition that the collective-bargaining relationship increases the need for adequate attention to the training function. The effect of seniority provisions has been discussed in the preceding paragraphs. A much more serious problem arises from the employee security clauses which are basic in almost all union agreements. Collective bargaining has definitely reduced the freedom of management to discharge an unsatisfactory employee. Most management representatives accept as fairly reasonable the provision for grievance procedures, appeals, hearings, and even arbitration, in the case of an employee who claims to have been unjustly discharged. Other management representatives feel that the efficiency of their operations has been materially reduced by such clauses. They believe that the annoyance and delay involved in proving their case, even on an obviously justifiable discharge, is so great that they can better afford to tolerate the continued employment of an unsatisfactory worker.

Without entering into a discussion of what management should accomplish in negotiating workable clauses of this kind, or how management should conduct itself under a clause which is burdensome, it is necessary to admit that the task of getting rid of of an unsatisfactory employee is likely to be more complicated under a collective bargaining rela-

tionship than otherwise. This means that good management, to a greater extent than otherwise, includes the task of making a satisfactory worker out of one who is unsatisfactory. This is the diagnosis which calls for the special treatment known as training.

Whether it touches on one or all of the tasks of selecting a new worker, promoting a senior worker, or making a satisfactory worker out of every employee, the collective bargaining relationship places new emphasis on the importance of the training function.

Collective bargaining will not do the training job. It need not and almost always does not interfere with the freedom of management to do the training job. It forces management into its responsibilities in the field of training. By every measurement, training is a responsibility of management beyond collective bargaining, training which takes in every member of the management team, every new and old employee, every day, as long as the business continues to operate.

XIII

SAFETY

SAFETY is one subject which is mentioned in the great majority of union contracts covering industrial employment. In spite of this frequent mention, it cannot be dealt with specifically and effectively through the processes of collective bargaining. It is futile for the union to agree that its members will all work safely at all times. There is no identifiable meaning to the commitment that the employer will maintain safe working conditions in all departments. These are the types of provisions which appear in many union agreements. As a practical matter, they are not enforceable against either party.

An employee may violate a safety rule, be disciplined for it, and appeal his case through any grievance or arbitration machinery provided by the agreement. Even if the discipline is sustained, the employer has created more trouble than he has cured. He has probably invited a demand, at the time of the next negotiation, for a change in one particular safety rule, or for the grant of authority to a union committee to approve all safety rules before they are put into effect.

If the union finds it necessary or possible to get before any grievance tribunal with a complaint that the employer is not maintaining safe conditions in the boiler plant or the paint shop or in the plant as a whole, the situation is a sad one. Rightly or wrongly, the unfortunate impression is created among employees that the employer is not properly concerned with their safety. It is easy to conclude that he is not properly concerned with any phase of their comfort or welfare.

In most cases, the contract reference to safety consists of a comprehensive commitment to the objective of safe working

conditions and an expression of the intention of both parties to work for the promotion of safety. Discipline for violation of safety rules is usually taken for granted. Where it is not, the union is likely to insist on the right to challenge safety rules decreed by management and to appeal any case of discipline for violation of a rule.

A careful consideration of these contract provisions must lead to the conclusion that safety cannot be achieved by means of the contract itself. It cannot even be substantially promoted by any specific form of negotiated agreement between the parties. Perhaps the most important and valuable significance of any reference to safety in a labor agreement is the evidence that the subject is recognized as one of mutual interest and mutual concern.

A more careful examination of the elements of safe working conditions will emphasize the fact that it is impossible to accomplish the desired result by negotiation and contract. Even though some of the elements may be specifically assured by agreement, other and more important elements can only be achieved through understanding, co-operation, goodwill, and an alert sense of constant personal responsibility.

The element of physical hazards may be specifically treated in a written document. It is sometimes thus treated in labor agreements, and in almost every state, it is specifically treated by law. But even where a contract or a law prohibits certain physical hazards and demands certain physical safeguards, the language is likely to provide for flexible and discretionary elaboration of the specific provisions. For instance, a state law governing the safety of pressure vessels such as boilers and compression tanks is likely to provide for expert inspection and to require compliance with the instructions or recommendations of the inspector.

Assuming that specific physical hazards can be contracted out of existence, or legislated out of existence, the objective of safe work and prevention of accidents has not been ac-

complished. The statistics collected continuously by the National Safety Council indicate that a very minor percentage of all industrial accidents are the results of unsafe equipment or physical hazards. Compared with such accidents, ten times as many others are caused by bad judgment on the part of supervisors or workers, by instructions which are not clear or which are not given at the proper time, by disregard of instructions which are clear, by violation of safety rules, or even the deliberate removal of guard devices by a worker for whose safety they were installed. Many injuries which might be slight become serious because of the lack of adequate first-aid training among those who have immediate access to the injured workmen. A startling amount of suffering and lost time results from the failure of workmen to obtain the attention which is available, in cases of minor cuts, bruises, or fractures.

An entire labor agreement might be devoted to the obligation of management representatives to assign work in a safe manner, and the obligation of workers to perform their work in a safe manner. Such an agreement would not directly prevent a single accident. The intelligent assignment of work by a supervisor, so as to accomplish its performance in a safe manner, involves many essentials which are abstract, the products of knowledge, interest, and alertness. The supervisor must have learned, both through instruction and experience, what methods are safe, what lifts are appropriate to the capacity of a normal worker, and the safe and unsafe manner in which he may perform the lifts. He must know which tasks call for the protection of goggles, masks, or safety shoes.

The successful supervisor must also know how to enlist the willing co-operation of a worker, to such an extent that the worker will use proper judgment and employ proper safeguards when the foreman is not there to tell him in words. In a consistent and patient performance, the supervisor must demonstrate his sincere interest in the safety of

his fellow workers. Likewise, he must inspire in every worker a corresponding interest in his own safety, and in the safety of his fellow workers.

The worker himself must attain an attitude toward a safe performance which goes much deeper than the observance of rules. This attitude must include an intelligent appreciation of every hazard surrounding his job. It requires a sense of responsibility, entirely unrelated to the disciplinary penalties which he may be risking if he violates a posted safety rule, or the personal penalty which he may suffer if he ignores a rule of common sense. It requires attention to hazards which is so consistent that it becomes automatic and subconscious.

It is no exaggeration to say that safe working conditions are more the result of attitudes than of rules and physical arrangements. Safety is a condition which can be built from a state of mind and internal conviction. It cannot be built from rules or laws or engineering devices. It can sometimes be achieved in the absence of the usual rules and devices.

The actual achievement of safety within the plant is beyond the power of negotiators and beyond the reach of any agreement which they can negotiate. When any feature of a safety program is vigorously projected into the collective bargaining process, the achievement of real safety is more likely to be retarded than advanced. If either employees or employer must make demands that some measure be taken for the protection of workers or products or equipment, there is both a prior and a consequent attitude of conflict which is, in itself, the enemy of safe practices.

If the understanding relationship between employer and employees, between supervisor and workers, is so strained that co-operation toward the mutual objective of safety has been impossible, there is a lack of the first requisite for successful collective bargaining, to say nothing of successful industrial relations. If the way of life in an industrial plant is such that workers believe that managers and supervisors

are not properly interested in the safety of the workers, it is too much to expect that they will believe that any other policies of management give proper consideration to the interest of workers.

A successful program for the achievement of safety is clearly beyond the practical scope of collective bargaining. It does not follow that management is justified in resisting the discussion of safety in the process of negotiations. If the issues are brought into the negotiations, it is too late for management to take that position. There are few factors in the relationship of employees and employers which workers are more justified in discussing than the factor of safety. Merely because it is impractical to "write" safety into a labor contract, management is not justified in trying to avoid a discussion of it, at the time and place set aside for the negotiation of a contract. The introduction of safety complaints or demands gives management one of its best opportunities to exercise statesmanship. The first step should be a frank and sympathetic recognition of the right of the worker representatives to talk about safety. The second should be an aggressive willingness to go beyond the processes of collective bargaining to find a mutually satisfactory basis for dealing with the problem.

The agreement may provide a mechanism for the accomplishment of this purpose. For instance, it may provide for the creation of a joint union-management committee to deal with the promotion of safety. It may even specify certain authority for that committee, to review or initiate safety rules, or to conduct an educational campaign, or to perform inspections of physical hazards. It may open up an opportunity for management to co-operate with its own workers and representatives in a field which is beyond collective bargaining, not for any legal or technical reason, but for the reason that collective bargaining cannot make men safe workers.

There are instances which demonstrate that labor unions

are ready to recognize this type of problem as being beyond the scope of collective bargaining but within the field of mutual concern. They are sometimes more ready to do so than are employers. In one of the well-known negotiating procedures, involving employers and employees in three states, the representatives of nearly fifty local unions, at one negotiating conference, made a definite proposal for the promotion of safety. They prefaced their request by the statement that they recognized that the subject could not be covered by the agreement. They followed by proposing a joint activity, unrelated to the labor contract, whereby the employers and the unions would undertake an interstate program for increasing the safety of the various operations, through conferences, education, and other means.

Obviously, the employers could have refused to discuss such a subject in a conference called to negotiate a collective bargaining agreement. Obviously, they would have been shortsighted in the extreme if they had done so. The undertaking of this activity, beyond the scope of collective bargaining, received the full co-operation of both parties. It has become one element in a solid structure of employer-employee relations. It contributes definitely to an atmosphere of tolerance and understanding in the negotiation of those matters which must be included in the labor agreement.

The same tolerance and understanding can be fostered through the intelligent promotion of safety at the level of the single establishment, or even the single job. When the promotion of safety gives full and respectful recognition to the personal factor and the common or mutual interest, the tolerant and understanding attitude is an inevitable result.

Much has been said and written about the effect of bad union relations on the safety record of an industrial plant. In some instances there has been the simple recognition of the fact that unpleasant collective bargaining relations and unsatisfactory safety records exist together. In others, it is a more

or less factual conclusion that unpleasant collective bargaining relations have destroyed a practice of safe working which was previously good. The reference to "a more or less factual conclusion" is used to raise the question of definite research on the subject. There are apparently no published studies or tabulations of cases where good safety records have collapsed or declined, after employees became unionized and began to bargain collectively. When such tabulations have been made, further study will be needed to see whether collective bargaining was the only new factor in each case. There is room for open-minded inquiry into the possible effects on the safety program from other changes: a change of managers, a new safety supervisor, sudden expansion of work force and supervisory force, new types of materials or products, changes from single to multiple shift operations.

It is not necessary either to challenge or to document the general assumption that bad collective bargaining relations and bad safety records are frequently found in the same establishments, and at the same time. It is necessary to challenge the easy assumption as to which is the cause, which is the effect. An impartial observer might, in many cases, be forced to conclude that the injection of a militant union with radical leadership has so disturbed the in-plant relations as to undermine a good safety program. But he might find, in other cases, that an inadequate safety program had been the direct cause or pretext for unionization. He would surely find instances in which the inadequate safety program was typical of general management practices. In such cases, an atmosphere of discontent and antagonism would be a natural direct result, and bad collective bargaining relations would be a natural indirect result.

If safety could be viewed as separate from the other functions of management and of employee relations, merely for the purpose of study, it would seem to be the easiest field in which to achieve understanding and co-operation. The mu-

tual concern is based upon the spread of the penalties for unsafe practices. Suffering and money loss and potential permanent disability or death are the penalties upon the worker in an unsafe plant. Direct money costs, damage to property, loss of production, disruption of a working unit, and loss of morale and efficiency are the penalties upon the employer. There is obvious mutual interest, and it is most intense on the part of the worker whose hazards are far more personal and serious than those of the employer.

Beyond the mutual concern or mutual interest, there is an obvious mutual responsibility. Safe working conditions can never be achieved without the active co-operation of management and workers. The greatest possible effort of either will be made futile merely by the indifference or lack of active participation by the other.

On the foundation of this mutual concern and mutual responsibility, safety offers the ideal opportunity for an employer to build a relationship of understanding and co-operation with his employees. If the only result were the reduction of accidents and injuries, the effort would be worth infinitely more than the cost. The saving of one man's life or eyesight or limb is an objective which demands every contribution of time and thought and money which an employer can give.

But the results in human relations go far beyond the direct improvement of the accident record. The understanding and co-operation achieved in safety, where the achievement should be easiest, will always give birth to understanding and co-operation in other fields. Although we have viewed it separately for the purpose of momentary study, safety cannot be actually separated from all the other relations between an employer and his employees, or between employees themselves. The mutual confidence and respect gained through a mutual effort toward safety will lead to recognition of mutual concern and responsibility in other fields where they are much less obvious.

This recognition of mutual interest and responsibility is the foundation of good employee relations. It is correspondingly an indispensable element of good collective bargaining relations. Safety is obviously one of the objectives lying beyond collective bargaining. But it is the material most readily available to any employer engaged in building a firm foundation for all his relations with employees, including the collective bargaining relations.

XIV

INFORMATION

IT WOULD be technically possible to provide in a collective-bargaining agreement that all information which may be supplied to employees, by the employer, must go through the union which is the designated bargaining agent of the employees. Probably no such clause has ever been actually written or seriously proposed. But the administration of the National Labor Relations Act sometimes extended almost to this practical result. It was held to be an "unfair labor practice" for an employer, during negotiations, to write to employees as individuals, telling them what he had said to their bargaining representatives. No one should be surprised if this specific demand to be the exclusive channel of information is presented by some union in the future.

The provision of the Taft-Hartley Act which redefines the right of employers to their basic freedom of speech should never have been necessary as a correction of the Wagner Act. It was urgently needed as a directive to some of the administrators. It was a healthy reminder to some union leaders that their bargaining power is not and cannot be great enough to infringe upon the freedom of speech of the employer. However, employers as a class should not enjoy too much righteous indignation over this unrighteous activity of some unions aided by some government agents in the pre-Taft-Hartley days. Neither should they be too jubilant over the 1947 amendment or restatement. Considerable history can be written about the private pre-Wagner activities of some employers to curb the freedom of speech of union organizers and advocates. Those activities may be rationalized in terms of the dangerous threat to the particular business and the whole Ameri-

can system which was carried by the speeches which those advocates wanted to make. All in all, the main difference between the early interference with freedom of speech by some employers, and the later interference by some unions, was the fact that the unions had more government help.

Those of us who have complete faith in the practice of sharing information with employees, and equal faith in the value of collective bargaining, might seem inconsistent in warning against channeling all information through the collective bargaining agent. A closer look will help to identify the best friends of collective bargaining as those who emphasize that this is a field in which collective bargaining is not enough.

No exclusive channel of information is a safe device in a society which is committed to freedom in general, as well as to freedom of speech. A Soviet spokesman might declare that the Russians are the best informed people in the world. He might even believe it, if that is important. He might back up his statement with a description of the thoroughness with which the Soviet Union keeps its people posted, tells them everything, by means of press and radio. He might point out the amazing achievement of converting the great mass of the Russian people from illiteracy to a condition of general literacy in one generation. The only fault with his statement that the Soviet tells its people everything is that "everything" means "everything we want them to know."

Probably the Hitler Nazis did an even better job than the Soviets are doing, in using their nearly complete control of information. The Nazis were dealing with a people already highly literate and intelligent. They could not be so effective in telling the Germans only what Hitler wanted them to know. They had to tell the Germans practically everything, but tell it in such a way as to produce the desired result. Censorship of the press will not usually result in keeping many news items out of print. It will result in creating a particular impression through the way the news is told.

In one of his greatest contributions to our thinking on industrial relations, Sumner Slichter has emphasized the function of information. Speaking of a group whose members "accept the basic political ideas and institutions of liberal Capitalism," he says:

> They trust individuals to develop their own ideals and to select their own ends, and they believe that civil rights should protect individuals in the opportunity to acquire information, to hear the views of others, and to express their views. . . . Communism does not trust individuals to develop their own ideals and to select their own ends; it does not protect them with civil rights.[4]

It happens that the collective bargaining agent, the local union, its officers and committees, offers one of the best possible channels for conveying information to employees. The employer who fails to welcome the union as a channel of information is injuring himself both directly and indirectly. He is inviting a lack of confidence in all the information he shares with his employees through other channels. He creates the suspicion that his facts will not stand up under examination by the union representatives. He provides reason for ill will and resentment on the part of the union officers whom he tries to by-pass. He practically forces the union to go into the information business on its own, and to depend on sources which are sure to supply information which is less comprehensive, less accurate, and less specific. In a broad sense he has missed an opportunity to act in harmony with the pattern of economic democracy drawn by Dr. Slichter, the pattern which "protects individuals in the opportunity to acquire information, to hear the views of others, and to express their views."

The employer who sincerely believes that a free flow of information is desirable will look beyond the immediate effect of any particular piece of information. He will think in

[4] Sumner H. Slichter, *The Challenge of Industrial Relations.* Ithaca, New York: Cornell University Press, 1947.

terms of the long-range development of men and women as intelligent employees, and especially as intelligent citizens. As far as his own employees are concerned, he will not attempt to channel information exclusively through any agency which he controls. That would be a denial of his basic belief in the value of individuals having "the opportunity to acquire information." His own exclusive agency would inevitably put its own mark and the employer's own mark, on the information which it transmits. This does not suggest that the information would be censored and selected as to content, or misrepresented, or distorted. Any agency transmitting information is sure to apply emphasis, which in itself influences the reactions of the one who receives the information.

The employer who sincerely wants his employees to have information and to use it intelligently will actively want them to get their information through every possible channel. He will never attempt to exclude the union from possession of any information which he shares with his employees. He will never attempt to censor the activities of the union officers in their efforts to transmit information to employees, through their own channels, with their own emphasis, or even with their own coloring. He will not belittle the intelligence of his employees, or indicate that he does not "trust individuals to develop their own ideals and to select their own ends." By a minimum standard of consistency and integrity, he must welcome any channel which conveys information to employees. But by the same standard, he will distrust and oppose any exclusive agency for this purpose, whether it be his own agency, or that of the union.

Collective bargaining cannot do the job of keeping employees informed. It cannot do that job, even in the interest of the union itself. The information which the union officers need, to administer a collective bargaining relationship effectively, cannot come to them entirely from outside sources. They may draw upon international union headquarters, offi-

cial research agencies of their union or its federation, or any other official source, for a great deal of what they need. Through these channels they can obtain data on general economic conditions and on their particular industry, analyses of comparable wage rates, living costs, product prices, and corporation profits. They can obtain information about new gains and privileges in recent agreements negotiated elsewhere, and on ways to protect themselves under new laws.

But in addition to all this they need a vastly greater amount of information about conditions and activities within the company and the plant itself. They need to know about changes in processes and products, new policies, new personnel, new construction and equipment. They need to know about extension or contraction of working schedules, expansion or reduction of the working force. It is highly desirable that they receive this information firsthand from the management of the plant or company with which they bargain collectively. But it is also important that they receive it secondhand through their own members. Through these members, the union officers can learn whether or not the company statement on a certain new policy checks with the actual operation of the policy in the plant. They can learn the frank reaction of their members to the information itself, and to the changes which occur from day to day within the plant. They need the outside supply of selected and usually highly colored information. They need the direct supply of information from the management. They also need the indirect, confirming supply of information through their own members in the plant.

Most collective bargaining agreements require the employer to provide a bulletin board for the exclusive use of the union officers. This bulletin board is a tool through which the union officers may convey information to their members, the employees in the particular plant. Many contracts restrict the use of the bulletin board to official union announce-

ments, but this restriction is seldom expected to be effective. The bill of fare of a famous eating house was printed in the Congressional Record, under the guise of an address, or "remarks," by a member of the House. Obviously, the president of a local union could make an official union bulletin out of the quotation of a speech by a Congressman. Collective bargaining cannot be effective in any attempt to censor the material which appears on the union bulletin board.

It is equally true that collective bargaining cannot be effective in restricting the information which the employer may place upon his own bulletin board. It does not restrict the information which he attempts to convey to his employees by any other means. Unfortunately, it can do very little to insure that any information, either from the employer or from the union, will actually reach the minds of employees. The task of sharing information with employees, of promoting intelligence and understanding within the organization, is beyond the scope of collective bargaining. There is actually a responsibility resting upon both employers and unions to guard against any interference with the flow of information, to avoid any form of restriction or censorship, which might be created by collective bargaining machinery.

Since the problem of information for employees goes far beyond the field of collective bargaining, it is urgently necessary for employers to accept their responsibility in this field. This task must be approached with certain requirements in mind. All the methods for conveying information must be such that they are in harmony with the collective bargaining relationship. The sharing of information with employees must not be degraded into an effort to weaken the union leadership or to destroy the collective bargaining relationship. The methods must not only be in harmony with that relationship, but they must recognize the bargaining agency as one of the natural channels for information. They must be designed so as to avoid any attempt at exclusive control, either of the

sources or channels of information. They must avoid the danger of providing conclusions and opinions to employees; in other words, they must emphasize and implement the faith that individuals can and will "develop their own ideals and . . . select their own ends."

A lengthy discussion of this general subject has been made in another volume.[5] No attempt will be made here to review the various techniques and to evaluate their effectiveness, nor to restate the problems of human reaction to various types of information conveyed in various ways, nor to explore the types of information which should be shared with employees. The effort of this chapter is to emphasize the task of conveying information as one which cannot be handed over to even the best possible collective bargaining machinery, and one which can and must be accomplished when the collective bargaining relationship is not good.

One aspect of the job of sharing information with employees which has been strongly emphasized, and which needs emphasis forever, is the importance of the line supervisor. A definite injury has been done to the efficiency of the plant organization when important information reaches the employee group before it reaches the line supervisor. A collective bargaining relationship increases the importance of this aspect. One result of the labor agreement is that the foreman or supervisor has been pushed to one side in the development of the basic employer-employee dealings. The contract between top management and rank-and-file workers has been made without participation by the foreman—in most cases, without even advice from the foreman. If he is to retain his essential place as the leader of the group, it becomes more important than ever that he be kept ahead of that group in the possession of information.

Collective bargaining does nothing positively to help a

[5] Alexander R. Heron, *Sharing Information with Employees.* Stanford: Stanford University Press, 1942.

line supervisor to keep himself informed. It does nothing to help top management in the provision of information for line supervisors. It gives added importance to management's need for an informed and understanding supervisory staff.

Particularly where a collective bargaining relationship exists, management must be almost passionately committed to a belief in the importance of keeping its line supervisors informed. It must be aggressive in finding logical, reliable, continuous methods for conveying information to them. It must expand any past concept of the scope of subject matter on which they should be posted. It must open up to line supervisors some information which was previously restricted to such a limited group as the board of directors, the general manager, and the payroll clerk. In doing all this, management must hold to an absolute minimum the machinery which is specially designed for conveying information to supervisors. It must find a natural process for conveying this information in the contacts and methods which are parts of the daily activities of actual supervision.

Management has been very sensitive about any invasion of its relations with line supervisors, which has been attempted by collective bargaining agencies. It should be correspondingly alert to maintain the management character and attitude of its supervisory group, by keeping that group intimately informed. The whole problem is one which is practically and theoretically beyond the scope of collective bargaining, and one which management wants to keep beyond that scope.

There is a wide area of information which should be in the minds of employees, in order to make their daily tasks interesting and significant. This area is not limited to information about the tasks themselves. In fact, it is chiefly concerned with matters outside those tasks. The significance of the job of tightening the nuts on certain bolts is found in the function which those bolts perform in assuring stability of

the truck body. The significance and importance of that stability can be appreciated only by some knowledge of the varied or specific uses to which the trucks will be put: duties in connection with road building in the desert or on the Alaskan Highway, delivery of the extremely heavy pieces of electrical equipment to the Grand Coulee power plant, moving huge quantities of fill material for the new breakwater on the Gulf Coast.

There are probably hundreds of ways in which information of this kind can be conveyed to employees, in different working situations. In some plants, the worker who performs a very minute and specialized operation can be given a personal view of the completed product, and shown where his monotonous performance has found an essential place in the assembly. Employees from some plants can be taken out to see how the customer uses the product to which they have contributed. Others may be shown a film with motion, sound, and color, photographed in Arabia or Australia, and revealing the finished product at work. Sometimes they can be given facsimile reproductions of letters from farmers in India who are using the implements manufactured here. They may have a chance to listen to an engineer who has just returned from South America where he has spent two years searching for supplies of wood suitable to the processes upon which these workers are engaged.

The neglect of using this kind of information, to make the daily job significant, brings the inevitable penalty of lack of understanding, lack of interest, lack of productivity, and the secondary crop of boredom and discontent. It is only one natural further step to the acceptance of some kind of activity which will relieve the boredom and also provide self-expression. Sometimes that activity acquires the name of labor trouble.

Collective bargaining does not relieve the employer of the responsibility for developing an internal program of telling

and showing his employees why their work is important, and helping them to see that it is significant and, therefore, interesting. This is one of the responsibilities of intelligent management which is beyond the scope of collective bargaining. It carries this promise of compensation, however: If the job is well done, if the employee group acquires this particular form of understanding, the collective bargaining process itself will incline to be constructive and intelligent, rather than destructive and emotional.

There is another type of information which is usually so completely and effectively supplied that its nature, as subject matter of the communications line, is likely to be forgotten. No matter what the problems or the policies of any management may be, in the field of employee relations, that management usually does an effective job in telling employees what they must know in order to perform their daily tasks. Millions of times in every business day, information of this kind is passed through the line organization. The salesman obtains the customer's order and specifications. In a large organization, information goes to the cost desk, the credit desk, the material and supply control desk, the machine program desk, the quality inspector, the packing, shipping, and traffic desks. In each operating unit a foreman and subforeman are passing on specific information as to what tools, materials, colors, or chemicals are to be used; what types of mechanical finish, what tolerances are required; what schedule dates for the completion of parts or processes must be met.

Almost as frequently, employees are being given information about their individual earnings, payroll deductions, work assignments, transfers, or promotions. They receive information about changes in time clock numbers, assignment of a locker in the new locker room, changes in working schedules, vacation periods, new prices in the cafeteria, or the opening of the new smoking area.

Such information as this must be effectively conveyed or the daily work would simply not be done in the average factory, store, or office. Without exception, any successful enterprise has established its lines of communication, well enough to convey this information. It has laid its cables, set up its pole lines, strung its wires, attached its transmitters and receivers. Too often the same management has overlooked the obvious usefulness of these same wires, this same line, to communicate other items. It has overlooked the parallel use of coaxial cables and phantom circuits in our commercial systems of communications. It has neglected to use "the line" for all kinds of information, because "the line" was set up primarily to transmit orders. But "the line" does its job of transmitting orders, and does it well.

We all know that management succeeds in passing on this type of information concerning today's work and how to do it. But we do not know whether even this information is passed on in such a way as to improve the employee relations or the opposite. Even though this particular body of information reaches employees in the form of instructions or orders, it affords a vehicle for carrying impressions, attitudes, and other collateral information. The manner of announcing the new locker room or the holiday shut-down is the decisive factor in deciding whether the reaction is constructive or not. The extra minute and the extra thought, in delivering the specification to the lathe man, can let him know the new and important use the customer has in mind, which makes him so particular about the finish and tolerances.

Many of these items of daily information dealing with work and conduct are definitely related to the collective bargaining process. This is likely to be true of any information or instruction affecting transfers, promotions, working schedules, and similar items. Therefore, both the information and the manner of conveying it must give due regard to the contract terms. It is a rare or unknown thing for the contract to

deal with ordinary problems of delivery schedules, order specifications on size, color, materials, or qualities. But almost any such item can become involved in the collective bargaining machinery. The shipping schedule may involve holiday work not required under the agreement. The case weights or the chemicals used in the finish may be protested as dangerous. An attitude which produces such protests usually has little to do with actual or supposed hazards, and a great deal to do with the general atmosphere of the plant. That general atmosphere depends, more than we realize, on the manner of conveying information—orders, if you prefer—about the daily performance, what to do today and how to do it.

Collective bargaining offers no substitute for an efficient internal method of communicating this day-to-day work information. The lack of such a method may be reflected in a bad collective bargaining situation. It may be difficult to secure compliance through discipline when it cannot be secured through willing acceptance of work instructions which are clear, considerate, and courteously conveyed. Management must do a better job of conveying work information because of collective bargaining. It must use this routine job to increase employee knowledge and understanding and to increase the effectiveness of line supervision; another responsibility outside the scope of collective bargaining.

XV

EMPLOYEE IDEAS

THE FLOW of information from management to worker has received concentrated attention for several years. Current studies are dealing with the broader concept of communications in general, some of the studies treating the entire field, others treating phases of the problem which previously have received less than their proper share of consideration. In terms of content, the broad concept includes information of almost any kind, communicated for many purposes, and such specific items as instructions, rules, orders, reports, complaints, forecasts, plans, program changes, process changes, organization changes, special projects, suggestions, training opportunities. In terms of what may be called location and direction, it includes the relatively familiar topic of communications from management to line supervision and to employees, with belated attention to the newer problems of horizontal communication at the supervisory level, and between staff and line, from supervision to higher management, between management and stockholders. It gives new and special emphasis to communication from employees to supervision and management. The comprehensive studies naturally deal with the various forms or media available for communication in each of the directions suggested, and in each of the subject fields.

The purpose of this chapter is to explore communications in the single direction from employees to supervision and management. The exploration is further limited to the relation of collective bargaining and its consequences, to this particular flow of information.

The growth of large units of employment had the effect

of separating employees from the central management, both in physical distance and in fields of interest. It might seem that no separation was necessary between the worker and the direct line supervisor, but it is well known that in many industries the final supervision unit was so large that there was an effective separation. In any industry there was a tendency to limit the nature and scope of contacts between workers and the direct supervisor, by the progressive removal of functions from the supervisory job. In most manufacturing plants, the foreman has lost, in succession, most of his responsibility for hiring, firing, training, and even discipline. These losses of functions (and consequently, of status) have occurred both where the supervision unit became absurdly large, and where it was held at a normal and effective size.

Management kept pace with this gradual separation reasonably well, in the single instance of communicating orders and instructions. In fact, the growth of the plant actually made it easy to adopt systematic methods for transmitting orders. These methods frequently became so systematic that they emphasized and increased the separation between management and employees. The easy, prompt way of passing instructions by word of mouth, from front office to superintendent to foreman to machine operator, could not be tolerated. It was superseded by a slower but more accurate job done on paper, frequently with copies radiating in several directions, to material storeroom, technical control department, crate shop, shipping room, and traffic desk, so that each might have direct and original notice to do his part. The occasion might be merely a routine order for the product, a shift shutdown for special maintenance work, the application of new colors to the chemical and stock pipelines, a tie-in to an extension of electrical service to a new residential area, a general curtailment of operations, or the addition of an extra shift in the foundry. In the large establishment, management usually met the need by a well-planned multi-copy

production of orders, instructions and "for information only" copies.

Necessary as it is, this systematic method carries a subtle reflection upon the individual person who functions at any desk or station where the multi-copy order arrives. There is the implication that he cannot be trusted to receive instructions verbally, to understand them, and to assume responsibility for them. There is at least a suggestion that the office, the man, or "the management," which gives him his instructions, is protecting itself by the written record; protecting itself against his possible forgetfulness, lack of understanding, or inclination to alibi later by claiming that the instructions were not clear or were not delivered.

This particular reaction to the systematic transmission of instructions in writing is almost never heard, after the system is established as a part of the daily working routine. It is frequently heard when such a system is first established. The vague resentment is probably not entirely removed from the subconscious mind, although the expression of it disappears. It has remained audible in some establishments where the implications of the written instruction memorandum were overemphasized in the document itself. For instance, some establishments use a form for incidental instructions which carries only the heading, in black-face type, "Verbal Orders Don't Go." This subtle reflection upon the intelligence or memory of the supervisor is not sufficient reason to abandon the organized transmission of information in a large organization. It is interesting as a possible negative influence on the free flow of other information which we are discussing.

Even where management has done an intelligent and satisfactory job of developing a satisfactory flow of instructions and orders, it has frequently overlooked the flow of other information, from management to supervisors, and through supervisors to employees. This is the particular subject of the preceding chapter on "Information." The reference is re-

peated here because of its relation to the flow of information from employees. Where there is no natural, informal, spontaneous flow of information through supervisors to employees, there is very little prospect of generating any such flow of information from employees to supervisors, and through supervisors to management.

The freedom of communication from employees to management is important in many respects. The first element of stable and satisfactory employee relations demands an open channel for the presentation of employee complaints and grievances. The retention of desirable workers, and the enlistment of their willing co-operation in the work itself, require that management know the basic desires of employees as to wages, hours, and working conditions. It would seem that collective bargaining furnished the adequate channel for employees to communicate with management in these particular subject fields. Experience proves that whenever the collective bargaining relationship is as good as it should be, a great majority of the complaints and grievances never become a load on the formal channels provided by the contract. The existence of those channels, and their full acceptance by management, seem to help in the handling of the average grievance, without resort to the formal procedures. Typical case histories indicate that approximately ninety per cent of the grievances initiated by individual employees are satisfactorily settled at the first and informal step of the procedure, that is, by direct discussion with the supervisor concerned. It is true that a union officer, or a grievance committee member is frequently included in such discussions. But it is significant that a good collective bargaining relationship promotes direct contacts between workers and their immediate supervisors, and that these contacts are usually sufficient to clear up the great majority of the expressed dissatisfactions.

In the absence of collective bargaining, there may be a

dangerous barrier against the expression of such grievances and complaints. In thousands of cases, this barrier has become a dam, behind which a great reservoir was filled with the accumulated dissatisfactions and grievances, which either were denied expression, or were denied adjustment if expressed.

It is fair to say that the bona fide employee-representation plans provided a somewhat adequate opportunity for expression and adjustment. The representation plans where good faith was not the foundation, or where the principal objective was to forestall unionization of the employees, usually did not furnish a satisfactory channel for this kind of information from employees. In both the genuine and imitation employee-representation plans, as pointed out in chapter v, there was a lack of definite power on the part of employees to require the creation and maintenance of an effective outlet for employee grievances.

Collective bargaining may properly be credited with either creating or crystallizing a channel for employee ideas on wages, hours, working conditions, and daily adherence by management and supervision to the terms of a contract. Assuming this credit, we rarely find a union contract providing, in its own text, any channel for conveying other employee ideas to management. An exception appears to be the second clause quoted in chapter viii. This clause, after reference to economy of operation, safety, and goodwill, goes on to say, "Each mill will entertain suggestions made by the union for working out the above objectives." The clause expresses a commitment on the part of the union to work for these objectives, and an apparent commitment by management to look upon the union as the source of suggestions for attaining these objectives. Such a clause is not common and even this clause does not attempt either to block or to stimulate the flow of ideas and suggestions directly from individual employees to supervisors.

Aside from such an exceptional clause, collective bargaining agreements generally do not concern themselves with the flow of employee ideas toward management. They do not interfere with the normal daily conversations, in which individual employees give the foreman bits and pieces of information and suggestions which can add up to important decisions, changes in methods, and even changes in policy.

Management has become more and more conscious of the need for, and the value of, employee ideas. The spontaneous communication of those ideas by employees is the ultimate expression of co-operation in a working relationship. It is an assurance of the interest of an employee in his work, and of the satisfactory freedom of his personality.

Aside from these subjective values, the free flow of employee ideas has an objective value which can be measured in quality and quantity of output or in dollar costs, either directly or through improved facilities and methods. It is the mark of difference between the hiring of the time, physical strength and manipulative skill of a human being, and the engagement of his interest, his thinking ability, and his enthusiasm.

Collective bargaining does not normally supply the channel for such ideas, suggestions, and information. Nor does it normally offer any obstacle to the creation of an appropriate and effective channel for this purpose. A bad collective bargaining relationship might increase the difficulty of generating the flow of ideas from employees. In such a case, the system of collective bargaining can seldom be charged with this result. The general relationship which made collective bargaining difficult, militant, and bitter, is almost sure to have prevented the co-operative exchange of ideas, before the union entered the picture. A sincere and patient effort by management to provide effective channels, and to draw out employee ideas which are constructive, can be one important step in improvement of the general relationship, and conse-

quent improvement of the collective bargaining relationship.

It is a mistake to identify this flow of employee ideas with the formalized "suggestions" for improvement of methods, reduction of costs, increase in quality, or reduction of accidents. For this type of idea, many formalized suggestion systems have provided a reasonably satisfactory channel. They are not universally accepted or approved by management, nor by students of human relations. They have the practical advantage and the theoretical disadvantage of appealing to the acquisitive instinct—"turn in a good suggestion and get some extra money." Aside from their value as a systematic method for receiving and considering the suggestions, they are sometimes valuable as evidence that the employer has a policy of sharing the benefits of good suggestions with the employees who originate them.

One of the limitations, and possible dangers, in the organized suggestion system is the fact that it concentrates attention upon ideas which have to do with cost, quality, and safety. Even within the definition of the word "suggestions," there are many other ideas which are important, and which cannot be valued in money, or even arbitrarily rewarded by a cash payment. Many employers feel that suggestions which contribute to the safety of workers, either applying to physical equipment or to methods of work or to safety education and enlistment, should not be treated as competitive efforts to "win a prize." Many establishments have been able to stimulate a flow of such suggestions and still maintain the policy that they cannot be valued or paid for in money.

In this class of suggestions which need not be the basis of money awards, which cannot be satisfactorily handled through a formalized suggestion system, we find some of the most important opportunities for management to benefit from the ideas of employees. The psychological value of the change in the color of uniforms or aprons has frequently been realized. The idea of an employee, or a group of employees, that

"we would like" a different color, is the kind of idea which management needs to receive, and to which it needs to give consideration. The idea of employees that they would be better pleased with an additional ten minutes at lunch time, offset by ten minutes additional work at the end of the day, may be the basis of a change which will greatly increase productivity. The reverse suggestion that the lunch period be shorter, and quitting time earlier, so as to make better use of transportation facilities, may represent an important factor in the convenience and consequent satisfaction of employees.

The expression of the interest of employees in organizing a bowling league or soft-ball league or a fishing derby, and the invitation to management to help sponsor or support the idea, has frequently furnished a priceless opportunity to demonstrate a co-operative management attitude and to build goodwill. The desire of employees to have access to a supply of some company product which is commonly used, and which is not readily available in the local stores, is one which should be welcomed by management. The report by employees that the local stores are not giving sufficient attention to the products of the local mill may not be of particular value in the merchandising program, but the reception, welcome, and consideration of the idea may be tremendously important in encouraging the interest of employees in the problems of the establishment.

Even in a highly satisfactory collective bargaining relationship, management needs to go beyond that relationship, to create both facilities and atmosphere which will stimulate the free flow of employee ideas.

XVI

PRIDE AND PREJUDICE

MANY of the things which are most important to workers have never been attained for them by collective bargaining. Some of these essential satisfactions can be partially gained through the union contract, or through the organizational activities within the union. In some instances, reasonably satisfactory substitutes for the real desires can result from union action.

One of the most important satisfactions, which is necessary to the personality of every worker, is some measure of approbation, and a high degree of acceptance, on the part of his fellow workers. A substantial number of the employers of today have not shown recognition of the increased importance of this basic need, and the change in the form in which the employee must find it fulfilled.

There was a time when the approval and acceptance which was first in importance to the employee was his own approval and acceptance by the employer, the boss, or more exactly, the foreman. Many of the factors which contributed to this importance have been weakened by the changes of the past thirty years. In the earlier generation, the employer practically owned the job because he owned the plant and the tools. The worker had to win and hold the approval of such an employer. Today the management which hires the workers is not usually composed of the owners. The managers themselves are employees. They differ from other employees in that they are usually hired more directly by the owners, and given special responsibilities.

Neither the hired managers nor the stockholder owners control the jobs today in the sense that the owner-manager

controlled the jobs in the early years of the century. Some laws have directly taken over part of the control of wages. Others have indirectly limited the managerial control of jobs through the sponsorship and protection of collective bargaining. The union machinery which has been created and developed during recent years has further reduced this control. Various seniority provisions in union contracts have reduced the value of the foreman's opinion or friendship in awarding promotions or assigning layoffs. Social Security and various other devices have reduced the threat and the severity of unemployment. These and many other influences have decreased the importance to the worker of winning the approbation of the boss.

Some of these same changes have increased the importance to the worker of the approbation of his own group. In the particular field of the union itself, a new scale of social values has been created for him. Status can come to him through the indirect recognition of such characteristics as courage, aggressiveness, logical thinking and speaking, devotion to the interest and welfare of the group. The positive expressions of group approval may come through election to an office in the union local, or selection to serve on any one of many committees. These approvals by his associates may have no relation to his job status; it is not uncommon to find the janitor or the hand trucker serving as president of a union of production workers. Negative results of the disapproval of the group within the union are usually uncomfortable and undesirable, and in extreme cases, brutally severe.

Entirely outside the organized group which is the union, there is an inherent demand for acceptance and approval by neighbors, friends, and particularly by fellow workers. This demand has always existed but until recent years it has been obscured, partly by the effort to win the approval of the boss, and partly by the absence of the machinery which gives groups the power to be vocal. The protected opportunity to

speak as an organized group, through the union, has been accompanied by an increase in the group expression within the smaller and more informal groups. The daily life of a worker on the job is unsatisfactory if he does not conduct himself in such a way as to win the approbation of the immediate group with which he works. He becomes subject to a dangerous frustration if he does not conform reasonably closely to the customs, attitudes, and opinions of the other members of his crew or gang.

Off the job, the worker is frequently a member of some other informal group whose approbation is important to him. It may be a fixed or a flexible poker game group for Friday nights. It may be the five men who share the ownership of the motor boat. It may be the three families who customarily drive out together for their Sunday picnics in summer. It may be just his own family. Their approbation is largely based on his behavior as a member of their particular group. But it also has some basis in what they know about his status in his working hours, not so much his earnings or his job title, but the fact that he is filling a job which symbolizes respect. It may be the job of a skilled mechanic, or of a strong freight handler, or of a trusted cashier or gate watchman, or of a group leader or foreman.

Another deep-seated need, which is closely related to the approval of the outside group, is the opportunity for the worker to be proud of his employer. This may seem to be a far-fetched statement, and to be in conflict with many of the actions and attitudes of organized workers. There is sufficient evidence available to convince the careful observer that the desire to be proud of the place where he works, the company for which he works, the boss for whom he works, is actually present to some degree in almost every employee. It is one of the factors which contributes to his status in the community. In his contacts with the neighbors, the beer-parlor club, the grocer, and the radio dealer, he stands a

little higher if he can be proud of the fact that he works for Company X. It is related to the fact that so many people welcome the chance to say "I work for the government."

In the union meeting, in the grievance committee, or as a member of the bargaining committee, an employee may denounce and malign the employing company and everyone connected with it. He may accuse the stockholders and directors of greed, the manager and superintendent of chiseling, and the foreman of incompetence, discrimination, and unfairness. More than one amateur orator has satisfied one of his appetites by such expressions, and later in the evening has angrily defended his company against the insults of some outsider. Workers who have been "blasting" the foreman and the superintendent and the manager at the committee meeting within the plant, will take the time and energy that night for an amazingly different "blast" at someone who works for a neighboring plant: "Sure, we got plenty of trouble with the higher-ups, but you don't catch any of us quitting our jobs to go to work in that flea-bitten, leaky-roofed joint where you work, with its heap of worn-out machinery and rusty tools. Why, listen, the trash that you turn out goes straight to the phoney second-hand stores, and you know it. When that outfit of yours is sold out by the sheriff, our joint will still be trying to catch up on orders from the finest hardware stores in every city east of the Mississippi."

Pride in the organization of which one is a member, pride in the establishment in which one works, are essential elements of self-respect. It may be the luncheon or service club, the college alumni, the professional society, the church, the union, the male chorus, the lodge, or the Red Front Department Store. No normal human being is willing to admit membership in a group which he himself does not respect, and which the community does not respect. When an employee denounces the management in his conversation with fellow workers or in his arguments with management representa-

tives, he is not humiliating himself. He can accuse the foreman of favoritism, he can charge the superintendent with ignorance and incompetence, he can denounce the president of the company as a blood-sucking capitalist. As long as he releases his diatribes inside the organization, he is likely to feed his vanity, and unlikely to depreciate his own importance. But when he talks to the man who works for another company, he needs a different support for his self-respect. When he is talking to anyone outside the group where he must fight his battle for some internal objective, he is likely to assume a different attitude.

Even outside the plant, he may display bitterness toward the employer and all the stooges of the employer in order to stiffen the backbone of the union business agent who is helping to fight his battle. His assertions to the mediator, the conciliator, the arbitrator, or the representative of the NLRB may approach unrestrained denunciation of the employer. But most of his contacts outside the plant and its personnel are contacts in which his own relative status is partly determined by the regard of his companions for his place of employment. In such conversations, he is likely to bolster his own sense of importance by defending his company or his plant or his store; perhaps likely to go a little beyond his honest day-time beliefs as to the virtues of "the outfit." Almost instinctively, he wants to be connected with a concern of which he can be proud.

The attitude of a community toward the industrial plants within its boundaries is a relatively new field for opinion research. Enough has already been done to justify some broad conclusions. One of the most definite is that the general population in a community forms its opinion of a local industry chiefly on the basis of what the employees of that industry say about it. The second apparent conclusion is that any particular opinion about an industrial establishment will be substantially the same in the minds of the employees and

of the general population, but more positive and probably more intense in the minds of the employees.

In one such study, it was found that 77 percent of the general population held the opinion that the local mill was a good place to work; 85 percent of the employees of the mill, and of their families, held this opinion. As another illustration, 58 percent of the "cross section" of the community thought that the local industries "offer workers a good chance to get ahead on the job"; 71 percent of the employees held this opinion.

If he has any reasonable basis for doing so, the average American worker will brag a little bit about the place where he works, when he is talking to outsiders. In so doing, he indirectly wins credit for himself, or at least bolsters his own respect for himself. If he thinks the plant is a good place to work, he wants his neighbors to think so.

A favorable union contract is a natural source of pride to the individual member whose delegated bargaining power was part of the strength which the union applied in getting the contract. Even when the contract has been won after long and difficult negotiations or an effective strike, the average worker is proud of the contract. It is a short step from this to the proud statement that "I work at Jones and Jones, where we've got the best darned union contract in the industry." He needs to be proud of something about the place where he works, in order to be proud of himself. Obviously, a pride which is based on a satisfactory union agreement forced upon the employer is of less value to the enterprise than pride which is based on other factors and conditions. Still, the employee wants to be proud of the place where he works.

What are some of the bases for pride which an intelligent employer can create? What are the things of which he can be proud, along with his employees?

It should be no disappointment to find that some of the important reasons for pride are within the scope of collective

bargaining, or closely related to it. In the same surveys mentioned above, it was found that a large majority of the people in a community thought that the local unions were truly representing the wishes of their members. They thought the unions and the managements of the local industries were getting along well together, and that management was entitled to part of the credit for this condition. (Here, again, the employees themselves were even more emphatic in expressing the same opinion.) These are conditions involved in collective bargaining, of which management can be proud. It can likewise be proud of the fact that it is paying good wages, that it has a liberal vacation policy, that it has provided the best possible working conditions, all based upon or reflected in the union contract.

But most of the factors which win community respect and goodwill for an industry are those which are not the result of a collective bargaining arrangement. For instance, one of the measurements by which the community almost always judges the "goodness" of an industrial establishment is the appearance of the plant. Another is the reputation of its products. Another is the interest which its management personnel takes in the general affairs of the community. The average citizen expresses himself quite freely as to the company's stability, progressiveness, prosperity, and general regard for the public interest.

The characteristics of an employing company which give it a good public reputation are largely outside the field of collective bargaining. The activities which win public approval are not usually those which are carried on because of a commitment in the union contract. A good reputation based on all-round good citizenship, good management, and good business conduct, is important to almost any business enterprise. It is important because of its effect on customers, suppliers, legislative bodies, and public officials. But perhaps we have underestimated its effect upon employees and prospec-

tive employees. The company which enjoys this kind of reputation normally has first choice among workers available for employment. The greatest value in its employee relations is that such a reputation makes it possible for the employee to be proud of his connection with the company.

This value is capable of being expressed in dollars and cents. For instance, it exerts a definite effect upon the labor-turnover figures; it is one of the many factors which help such a company to retain an employee who has been carefully selected, and whose "quit" would be a definite item of expense.

The ability of an employee to be proud of his employer is both a sign of good morale, and a very large factor in the creation of that morale. It should not be assumed that being proud of the company will make an employee complacent over any personal mistreatment, or over an inadequate wage, or unsafe working conditions. Normally the employer who tolerates or attempts to maintain such conditions will not enjoy a good reputation in the community, and will not be the kind of employer of whom employees can be proud. The banishing of justifiable causes for employee discontent within the plant is one of the first steps toward being worthy of a good reputation outside the plant, and being worthy of the pride of the employee-members of the team. As a matter of fact, most of these causes for discontent can be superficially removed through the process of collective bargaining, some of them basically removed. It is beyond this line, beyond the area of collective bargaining, that the employer has the opportunity and obligation to make his establishment genuinely worthy of the respect of the community and the pride of the employee.

The primary need for the creation of good labor relations, as distinguished from generally good employee relations, was emphasized by another opinion survey related to those mentioned previously. It was found that, regardless of

its other virtues, no company which had a record of "labor trouble" was rated as a good company in the cross-section opinion of the community.

It is probably incorrect to say that a good reputation, well-earned, may be destroyed by labor trouble. It is probably much safer to say that the elements which earn such a good reputation for any company will be built on a foundation of good labor relations. There is evidence that the general public in a community can usually distinguish between labor trouble which is caused by unwise or unfair attitudes of the employer, and the occasional subversive type of labor trouble which is caused by infiltration of radicals into the union itself. No employer can be sure of permanent freedom from an unjust strike, inspired by the emotional appeals or clever sabotage tactics of subversive leaders. But he can be reasonably sure that the character and good reputation which he has built, outside the area of collective bargaining, will go a long way toward winning a fair hearing at the bar of public opinion. They will also go a long way in restoring the goodwill and retaining the pride of his own employees.

It is possible that an actual majority of the wage earners in America, or at least a majority of the unionized wage earners, have accepted the emotional picture of Big Business, identified as the mortal enemy of the Working Class. Members of this probable majority are responsive to false and destructive propaganda against Capitalists, the Morgans and Rockefellers, the Sixty Families, the Employer Class. They are ready to believe that the Owners keep thirty, sixty, or even ninety cents out of every dollar they take in, and grow fatter and richer off the poorly paid Workers who produce all this wealth. Frequently this general and emotional enmity against employers as a class is crystallized in an enmity against the particular employer. There are hundreds of thousands of men and women on the payrolls of employers whom they despise and hate, partly because they have been taught

to despise and hate all employers, and partly because the foreman promoted his own nephew or the cafeteria served cold coffee.

Far more frequently there is a distinction in the mind of the worker between employers as a class and his own employer. Far more frequently he will say "If they were all like our company we wouldn't have these conditions." In millions of cases the employee, while he cannot trace his reasoning process, feels that it is a credit to him personally that *his* company is not like the rest of them. He gains some satisfaction in identifying himself with the downtrodden working class, and giving support to the movements which claim to serve their interests. He will contribute time, talk, money, and votes to the organization or the candidate having the most glowing promise for "full employment" or "labor's share of the wealth" or "driving the money changers out of the temple."

But in his own heart he does not want to be mistaken for one of the Downtrodden. He wants credit for having selected an employer who is different. He is unwilling to be classed with the millions to whom he gives his sympathy and support, the millions who are oppressed and exploited by heartless corporations and greedy employers. Admitting that Employers are the enemies of Workers, *his* particular employer is not *his* enemy. He, this individual employee, bowls with the foreman on Thursday night, and has talked to the manager a dozen times about the open-house program, and has met the president of the company. He definitely gains in self-respect by believing and saying that his own employer is different. For his own satisfaction, he wants to be proud of his employer.

Subversive propagandists working for a totalitarian cause have had considerable success in planting ideas of hate toward a legendary ruling class in America. Much of their success has been due to the volunteer alliance of a more

numerous group of propagandists who are simply demagogues, seeking personal benefit or political advancement. The whole effort has been characterized by falsehood and distorted facts, aimed at an unidentified group of conspirators, variously described as the Employers, the Capitalists, or Big Business. By comparison, the countereffforts of business men and industrialists have been feeble and futile. Perhaps we should abandon the attempt to defend such imaginary entities as the Employers, and concentrate on the task of earning understanding and respect for the Employer, the one employer whom each worker really knows, his own.

When we attempt to combat the subversive propaganda, we are running against the current of the wishes of the employee. He wants to believe that there is a conspiracy of wealthy and greedy employers, exploiting millions of downtrodden workers. He wants to build up his self-esteem by feeling that his money and his votes are important contributions to the crusade for the liberation of millions. But the same desire for self-respect makes him unwilling to be classed individually as one of the oppressed. He wants to believe that the conspiring employers "put over a Slave Labor Law," but he seldom undertakes to identify himself as the slave.

Spokesmen for the capitalistic system have worked hard at showing who really owns American industry. They have stressed the millions of small stockholders. The average worker is not impressed. He is even less impressed when subversive propaganda is answered in similar form. If he is faced with absolute contradictions in two pamphlets, two advertisements or two propaganda films, his choice of which to believe depends on attitudes and experiences entirely outside the subject matter. Technically, if one statement can be false, so can another. If one film can be deceptive, so can the opposing film. He will not give his acceptance to one story or its opposite on the basis of the quality of the printing or the photography. Actually the direct attempt to change his belief

implies a criticism of his intelligence and a suggestion of his gullibility. The attack on propaganda through similar propaganda is not likely to succeed even to the extent of creating a stalemated neutrality.

When a single employer or a single employing company conducts its daily life in such a way as to merit the respect of its employees, it has infinitely greater opportunity for success than when it tries to defend or glorify the nonexistent Employer Class. When five hundred thousand American employer corporations do the right kind of job, each in its own little province; when each of them wins the respect of its own employees; when each of them is removed, in the minds of its own employees, from the imaginary conspiracy of the Employer Class; then and only then will the American system have an invulnerable defense against the subversive propaganda of hate and distrust.

For the sake of the American system of freedom and profit, as well as for the sake of immediate good employee relations, it is the duty of every company and establishment to give its employees the chance—which they want—to be proud of their particular employer.

XVII

AN INADEQUATE OUTLET

THE EMPLOYER who exaggerates the importance of collective bargaining in his structure of employee relations is making a mistake which is serious in more ways than one. He is preparing to neglect many of the functions and activities which collective bargaining cannot serve. He is helping to destroy the effectiveness of his own business organization by transferring more and more functions from the area of management to the area of negotiations, where results are determined by bargaining power. He is rejecting opportunities for day-to-day understanding and co-operation, in favor of the inevitable debate, argument, compromise, or surrender which will always be characteristic of most collective bargaining negotiations.

More serious than any of these mistakes, however, is the probability of channeling all the grievances, dissatisfactions, misunderstandings, and personality conflicts among his employees, into the single outlet provided by the collective bargaining machinery.

In his excellent work on *Handling Personality Adjustment in Industry*, Robert M. McMurry has drawn a vivid picture of the accumulation of emotional resentments at the worker or wage-earner level. He has pointed out that, at every other level in the hierarchy of business and industry, the individual has a safe outlet for his emotions, a safe opportunity to inflict his annoyances on his subordinates. It would be difficult to draw the picture more effectively than he has done in the following lines, which are quoted with his permission:

. . . What about the man at the bottom of the pyramid of authority? Authority carries with it opportunity for aggressions on

subordinates. It thus provides an outlet for the relief of hostile tensions which cannot be directed toward the object that is their source (a superior or an associate). They are vented on someone lower in the hierarchy. But the man on the job has no such release. Hence he must swallow his resentments and often his pride as well.

Much of the following material in Dr. McMurry's book deals with methods and mechanisms which provide the needed outlets for employee dissatisfactions and emotional stresses. But every employer should realize the inadequacy of collective bargaining as an outlet or release for these stresses, and the positive dangers which result from employer attitudes which force workers to seek such an outlet through their collective bargaining machinery.

The actual causes of employee discontent in most cases are not found in those subject fields which are conventionally covered by collective bargaining negotiations. Every thoughtful personnel administrator has learned this. The specific protest or demand frequently deals with wages and hours, more frequently with some questionable aspect of working conditions. Arbitrators and conciliators have been baffled, in case after case, by the fact that the actual antagonisms in a labor dispute have little relation to the declared issues of the dispute. They have dealt with thousands of strikes where the specific issue was declared to be wages, overtime, union recognition, seniority, discrimination, or some other reasonably tangible complaint. In a large minority, if not a majority, of those cases, they have found that the real cause of the open warfare was something far less tangible, something which could not be made the specific issue of a dispute or strike because it could not be settled by any specific agreement.

Negotiations have broken down, and have been succeeded by work stoppages, over the refusal of an employer to grant the form of seniority protection demanded by a union. The particular form of seniority clause is sometimes one which has become the standard for the union, and may be

actually impractical in a particular plant. The willingness of several hundred employees to sacrifice weeks of wages is seldom based upon abstract devotion to the principle of seniority, or upon devotion to the ritual represented by the standard words. The willingness to fight for a specific clause or its equivalent usually rests upon an explosive accumulation of discontent over certain specific promotions. These specific promotions in turn may be merely convenient symbols which have been seized upon to express a dissatisfaction which is chiefly inspired by the presence of a new superintendent, who may be the nephew of the president.

In some cases, the employer might be willing to reverse the promotions which are being cited as unfair. He might be willing to promote the discontented individuals who claim to have been unfairly by-passed. This action might represent an outstanding victory for the union in its collective bargaining, without achieving the seniority clause which it had proposed. It might achieve an apparent peace and satisfactory relationship in the departments concerned. But in most cases it would soon be apparent that even the protest over the specific promotions, no matter how sincere and violent, was merely the escape valve for a much deeper and more serious resentment. The smouldering discontent actually may have little to do with promotions, or even with general methods of promotion. It is more likely to be a basic unhappiness over some continuing attitude of management, which can only be identified in terms of a specific act such as the promotion of the wrong man.

The employer in such a situation may have a well-planned system of promotion. It may be one which is actually reasonable and fair. The accumulated discontent may be due to the fact that employees do not know that any plan is being followed, or do not know what the plan is. The worker who wanted and expected a certain promotion, and did not get it, is in no position to find out for himself the reasoning

which led to the selection of someone else for the better job. Uusually he is in no mood to explore the matter at the time. When he describes the apparent discrimination at the union meeting, he may do so with complete sincerity, dealing with the incomplete set of facts which he can see. He emphasizes his length of service, his good performance on his present job, the shorter experience and what he believes to be the inferior qualifications of the man who was promoted. The union meeting is the natural place for him to air his grievance. He is almost sure to find sympathetic listeners, men who have had similar experiences, men who likewise have no knowledge of the system, if any, under which promotions are made. Of course, the man who got the job may also be there but the most that he can offer is likely to be his personal opinion that he deserved the promotion. It is unlikely that he has any more knowledge of the actual method of selection than has the senior employee who did not get the promotion.

Theoretically, the action of the group at the union meeting could be to call upon the employer, or the superintendent or the foreman, to ask how come? They might send a committee to invite management to do the explaining which it probably should have done long ago. But such a reaction is very unlikely, in the atmosphere in which such an incident can occur. It is much more natural for the group to seek some means of preventing the apparent discrimination. They have available their union, and the processes of collective bargaining. They are not likely to produce the wise and constructive solution which the employer should have produced. They are more likely to demand a specific prohibition against such discrimination, in the form of the compulsory application of strict seniority on all promotions to nonsupervisory jobs.

The only effective outlet available to the discontented employee in such a case is the airing of his grievance at the union meeting. It seems to be an effective outlet because the enlistment of his fellow union members can result in a spe-

cific demand at the time of the next negotiations. He could, and probably did, relieve his feelings to a certain extent by talking about it at home; but his wife and his twelve-year old daughter can do nothing about it. He may relieve his feelings by talking to his fellow workers, on the job or at lunch time; but as fellow workers they can do nothing about it, except to suggest that he bring it up at the union meeting.

One actual incident traces the unfortunate accumulation of frictional strains, from a minor personal incident to a major collective bargaining issue. In a relatively small working unit, the foreman went to the locker room and located a worker who had completed his shift, had been relieved by his mate, had washed up and changed to street clothes, and was about to leave the plant. The foreman could have said:

"Bill, we've just run into an emergency on a machine. Will you change clothes again and help out for a couple of hours?"

That is what he could have said. It would have been a truthful statement. It would have shown respect for the interest and intelligence of the worker, particularly if the foreman had identified the nature of the emergency. It would have shown consideration for the personal situation of the worker. What he actually did say was this:

"Get back up and help out on a repair job."

As the actual facts of his own situation were revealed later, the worker could have said this:

"Now look, Joe, we are having a big family dinner just an hour from now. There are five guests coming and one of them is my mother-in-law. We fixed up the date two weeks ago because it fitted in with my working schedule for this week. Can't you get someone else to help?"

What the worker actually did say was: "To hell with you. I've finished my shift."

With this wrong start, the collective bargaining machinery began to grind. Bill was given a disciplinary layoff for

insubordination. He protested through the union grievance committee. A series of conferences were held as provided in the labor agreement. A resolution was adopted by the local union challenging the right of management to order any worker to work overtime. More than two days time was devoted to a contract change to clarify the authority of management, in a collective bargaining negotiation which dealt with the wages, hours, and working conditions of a group of employees of which the particular department concerned represented only one percent.

The incident in itself represented a clumsy and inconsiderate personal display of authority by a foreman, and a natural reaction of irritation by an employee. It built up an important issue in an important collective bargaining conference. When the collective bargaining agreement was finally reached, nothing had been accomplished directly toward curing the actual causes of such irritations and strains. The task of making that foreman tactful and considerate, and giving that worker a consciousness of a sympathetic interest in his personal convenience, still had to be accomplished through some means quite outside the processes of collective bargaining.

The frictions between workers and unsympathetic or inept supervisors present one of the most common sources of emotional resentment. There are a few foremen and supervisors who release their own emotional stresses by cursing, abusing, and insulting the workers whom they supervise. The supervisors who do this deliberately or even consciously are very few. The supervisors who are careless, inconsiderate, and untrained as to their daily contact with subordinates, are much more numerous. The fact that he may shout, criticize a worker before an audience, belittle his efforts or his skill, is not necessarily a reflection upon the sincerity or intelligence of the supervisor. It may be his unconscious reaction to a stinging rebuke which has been handed out to him, or an un-

happy domestic situation, or his resentment of inadequate pay for his job, or a feeling that his province has been invaded by some other supervisor. He may have no conscious knowledge of the cause. He may think that the apparent clumsiness or carelessness of the particular employee is the last straw, and that he is at the end of his patience. In these and almost all other cases, it is very likely that he has no knowledge whatever of the psychological effect upon the workers.

Whatever created the stress in the personality of the supervisor, he can relieve that stress to some extent by venting it on a subordinate. He can avoid an emotional explosion by blowing off steam, by "bawling out" some workman for some cause or incident totally unrelated to his own discomfort. To quote from McMurry again, "What about the man at the bottom of the pyramid of authority?"

The employer who makes it necessary or natural for his employees to express their pent-up emotional dissatisfactions through the channel of collective bargaining is himself a good prospect for the services of a psychiatrist. His attitude is not only a serious obstacle to the achievement of the understanding and co-operation which is important to our whole industrial and social structure; it is a bid for regrettable results in his own business life. By his failure to act intelligently in the area which is beyond collective bargaining, he is poisoning the vital process of collective bargaining itself. He is facing the compulsion to pay in cents per hour, in overtime, in restrictions of his management functions, in the surrender of team discipline, and in a dozen other ways, for grievances and dissatisfactions which in themselves have nothing to do with any of these forms of payment.

It is even more serious that he has deprived himself of the opportunity to deal with most of his problems in the only setting where they can be dealt with naturally and effectively. He has built a positive barrier against any future effort which

he might make, to promote understanding in the normal daily human contacts in his establishment.

His attitude of dumping all his employee-relations problems into the hopper of collective bargaining may result from a number of causes. We are discussing in this chapter the obvious fact that he should not rely upon collective bargaining as an outlet for the emotional resentments and personal dissatisfactions of his workers, which are unrelated to wages and hours. The average employer recognizes that collective bargaining with all its trappings is not an adequate outlet for all the dissatisfactions of his employees. Still, a large number of average employers deliberately seal up other outlets. The advice of a psychiatrist might be helpful in pointing out to such an employer that he is actually demonstrating an emotional upset of his own. In too many cases, he is resenting the fact that his employees have placed any part of their reliance upon a union, instead of demonstrating their confidence in the fairness and generosity of the employer. He may be resenting the strength of the union and the power of the union leader. This strength and power may have challenged or even frustrated the previously complete authority of the employer to make his own decisions.

One of the most distressing injuries to the emotional integrity of an employer is to have himself belittled or maligned by a union spokesman, in the presence of some of his own employees. In his reaction to any of these emotional stings, many an employer has injured himself and his business. He has frequently rationalized his new attitude by some thinking which is typified by the expression, "They made their bed, now let them lie in it." If his employees have decided that the union is the agency, and collective bargaining the instrument, for conducting their relations with the employer, he decides that he will force them to rely on that agency and that instrument for the adjustment of every grievance, for the cure of every dissatisfaction.

Just as surely as collective bargaining is an inadequate outlet for all the emotional and mental dissatisfactions of employees, it is also an inadequate outlet for the resentments and dissatisfaction of an employer. The vengeful attitude of narrowing his field of employee relations to the technical boundaries of collective bargaining makes him small in character. It destroys the possibility of teamwork. It magnifies the importance of the union and the union leader, in fields which no intelligent union leader wants to invade. It engenders a spirit among foremen which reflects itself immediately in harsh, unsympathetic, and strictly formal relations with workers. But this is an attitude which inevitably reflects itself next in a resentful attitude of supervisors toward higher management.

The whole vicious circle need never be the result of a vicious attitude, anywhere in the establishment. It is much more likely to be the result of complete failure somewhere to realize that collective bargaining is not enough, particularly that it is not an adequate outlet for emotional stress.

The employer who will stop and think is not likely to want the petty misunderstandings in February to be dumped on the bargaining table at the negotiations in the following November. The intelligent supervisor is not likely to want his chance remarks to the worker who was late one Monday morning in March, to become the basis of a demand for tolerance of tardiness up to fifteen minutes, when the bargaining committees meet in November. And the intelligent worker certainly has no wish to wait until November to squawk about the unjust bawling out which he got from the foreman in June.

The trouble is much more likely to be that manager, foreman, worker, and union officer have overlooked the need for daily, flexible forms of relationship which will relieve the daily irritations before they become stresses and strains. It is likely to be the failure of all these parties to recognize that the great majority of all these daily problems cannot

possibly be solved through the medium of negotiations and contracts. It is likely to be a failure to appreciate the difficulty which is created for the negotiation of proper subjects, by the accumulation of all these petty strains through the absence of any other safety valve, or any other normal and sensible means of adjustment.

In many large establishments, this neglect of the need for natural outlets for worker tensions has gone so far that a radical and abnormal cure has been necessary. It has frequently been necessary to inject into the organization a person called the counselor. He has no line authority, no management responsibility. He is expected to supply a confidential confessional and a sympathetic advisor to the distressed employee. He helps the worried worker to put his worry or problem into words, and thus identify it. He makes it possible for the employee to release his stresses, instead of nursing them until they explode in resentment or insubordination. When job conditions or relations are really involved, the counselor can suggest corrections to management.

The counselor is an emphatic proof that collective bargaining is an inadequate outlet. It is equally emphatic evidence that management must go beyond collective bargaining to provide the adequate outlet. But the experiences of thousands of companies also proves that there is no absolute need for the formal and somewhat artificial separation of the counseling from the rest of the management function. Such companies have found that the full equipment of a work supervisor includes the ability to maintain the necessary outlet for personal emotions.

Just as it is inadequate for a great many other phases of employee-relations adjustments, collective bargaining is inadequate for the release of the emotions, of either managers or workers. Good management goes beyond collective bargaining in this field.

XVIII

COLLECTIVE BARGAINING FOR FOREMEN?

One of the products of modern mass-production methods in America was evolved without the usual processes of planning. It was not based on surveys, preliminary sketches, blueprints, estimates, pilot models, or field tests. Its character was something new and different and was not even recognized. It was given an old and significant name which actually did not fit. This product of mass production is the job to which the mass-production industries gave the name of Foreman.

In time the reactions and behavior of men on this job became troublesome. The trouble was attributed to a great many different causes. It was blamed on agitators from inside the plant or outside, usually from inside the rank-and-file union. It was blamed on the National Labor Relations Act or the Board which enforced it. It was blamed on a general deterioration in the quality of men available for such responsible positions.

The symptoms of the trouble received a great deal of attention. The organization of collective bargaining units composed entirely of foremen shocked most members of the higher management group. The absorption of foremen into the same unions which represented the wage earners or rank-and-file workers was even more shocking. The discovery that foremen were entitled to the privileges of representation and collective bargaining prescribed for employees under the Wagner Act seemed to establish the death sentence for effective management of the American industrial enterprise. When the Supreme Court confirmed this discovery, it seemed to a great many members of the management group that American industry had moved most of the way toward a Soviet type of organization in the plant and factory.

These moves and discoveries were purely symptoms. The Labor-Management Relations Act of 1947 provided a treatment for certain of the symptoms. The foremen's unions were excluded from the protections enforced by the National Labor Relations Board. Experience proved that prohibiting certain treatment for certain symptoms was not equivalent to curing the ailment. This legislative approach might be compared to a statute prohibiting the use of aluminum splints on fractures of the forearm. Such legislation would not prevent fractures of the forearm.

The unionization of foremen was a mild and superficial symptom of serious and basic trouble. The fact that the unionization was fostered, for a while, by the protective machinery of the National Labor Relations Act, was purely incidental. The removal of that protection has not even eliminated the unionization of foremen. Even if the unionization itself were eliminated, that would not prove or even indicate that the trouble had been cured.

Any constructive treatment of the trouble itself must begin with some laborious research. Perhaps a good start would be the minute examination of some two million jobs in the United States which are carelessly grouped into the one general class, and whose occupants are carelessly given the title of foreman or supervisor. To bring the inquiry within reasonable limits, it might be confined to the several hundred thousand jobs in manufacturing industry described as jobs of foremen. On the basis of this minute examination, it will be possible to make an early distinction between those jobs which have the traditional content and status of foremanship, and those jobs which represent the unrecognized product of mass-production industry. This latter group of jobs came to be known as jobs of foremen as a result of convenience and inertia, when in fact they had content and status quite different from those of the traditional jobs which bear that name. It is in this group of new and misnamed foreman jobs that

such symptoms as foremen's unions have been generally evident. It is in this group of jobs that the careful searcher will find deep-seated trouble underlying such symptoms.

To draw this distinction, it is necessary to examine the traditional job of the foreman. In its purest form, it is seen most frequently in the skilled crafts, perhaps most typically in the building trades, metal trades, and printing trades. In these occupations, the foreman is a highly skilled craftsman. His job as foreman actually includes many of the characteristics of the master workman's job in the days of the guilds. He is generally the selector of his journeyman workmen. He assigns the tasks among the journeymen. He has the ability and responsibility to instruct them on the immediate task, and at the same time to assist them in improving their general skills. He has specific responsibilities for the instruction and protection of apprentices, responsibilities which make him, in effect, a guardian of the apprentices.

He is almost invariably an active and honored member of the craft union whose members work under his foremanship. In many trades, the procedure for his selection for the job of foreman is partially prescribed by the contract between the union and the employers, or prescribed by a set of well-established rules and customs which are tacitly recognized by the employer. His right to be the sole channel of contact between the employer and the workers is firmly established, sometimes by printed rules or contracts, sometimes by strong but unwritten traditions of the craft. He has won the confidence of the employer who selects him, and of the workers whom he supervises, by his personal mastery of the skills. He automatically receives recognition of his superior status by a prescribed differential in rate of pay.

In general, the evolution of this kind of foremanship has included an effective concept of the responsibilities of a foreman. There are exceptions, of course, but as a general rule he discharges his responsibilities in the interest of the em-

ployer and the job, without undue interference by the union of which he is a member. A limited inquiry among typical employers in the building, metal, and printing trades produced no single instance where a foreman of this type had "pulled his punches" in the supervision and direction of his workers, for any cause traceable to his identical union affiliation.

This type of foremanship is relatively common in the smaller manufacturing establishments, particularly in the metal trades. The jobs of foreman and overseer in the textile industry have inherited their content from a slightly different tradition. In these occupations, however, there has been a corresponding element of skill and knowledge, where the supervisors have been selected from among the skilled weavers and loom fixers. The presence of union organization among the wage earners in this industry is relatively newer and less extensive than in the crafts discussed above. The status of the foreman has been clearly established for generations by authority of the employer and the customs of the industry, rather than by craft regulations.

In merchandising establishments, warehouses, drayage companies, and a hundred other types of establishment, this traditional type of foremanship exists. The job usually requires a knowledge of the skills possessed by the wage earners. It usually carries a recognized status. In general, the question never arises as to whether or not the foreman is part of management. In most cases, the question would be largely one of words and theory. The foreman transmits the desires of management to the workers. The orders which the workers receive are the foreman's orders. To them, the foreman is the boss. Probably neither the workers, the foremen, nor the owners could give a ready answer to the question of whether the foreman is or is not a part of management.

In general, the problems of unionization of foremen have not appeared or have not been troublesome in these occupa-

tions. In the craft occupations, the membership of the foreman in his particular craft union has been accepted as a matter of course for at least two generations. In the noncraft occupations, there is evidence that the status of the foreman was so clear that he saw no need for the processes of collective bargaining on his behalf.

One notable exception helps to lead this study into the field where collective bargaining for foremen has been a critical issue, and a symptom of trouble. The exception selected for this purpose concerns the stevedoring activities on the West Coast. Other maritime occupations, notably those of masters, mates, and pilots, involve the same issues but the occupation of stevedoring furnishes the best example.

Stevedoring or longshoring has been undergoing a process of change for twenty years, from a highly casual occupation to one of reasonable regularity and continuity. It is an occupation in which the extreme type of left-wing philosophy and tactics has had full play. Under the guise of seeking equitable distribution of work while the work was still largely casual, the dominant rank-and-file union in the industry has obviously adopted the objective of abolishing the relation of employer and employees. The assignment of work from day to day has been effectively seized by the union itself, in a frank disregard of the provisions of the written agreement. The longshoreman does not work regularly for a certain steamship company or a certain stevedoring company. He has been taught to look to the union as the source of employment. It can be demonstrated that this procedure results in a reasonably equitable distribution of all available work among the members of the union. It can be equally demonstrated that the same equitable distribution had been accomplished in one or more of the West Coast ports, before the advent of the union.

Regardless of its interference with the efficiency which comes from continuous experience on special types of work, this method of assignment of working longshoremen is toler-

able. In effect, the union has become a labor contractor similar to the "padrone" of railroad building days, furnishing men as requested by an employer, not the same men from day to day or from shift to shift, and not necessarily competent men. To repeat, the system has been tolerable; at least, it has been tolerated.

Employers obviously believe that the same system is intolerable when it is applied to foremen and supervisors, the so-called "walking bosses." The average employer feels that he cannot conduct his business unless he knows from day to day and from month to month who will be the direct supervisors of the work. The union leaders attach equal importance to the control of the supervisory jobs and frankly forced the issue on the primary demand for the right to assign or "dispatch" walking bosses from the union hall in rotation. The walking bosses were members of the same rank-and-file union. Most of them had been schooled in the philosophy of looking upon the union as their actual employer. It is easy to recognize the predicament of an employer depending upon a foreman or supervisor who has been conditioned in this way and who does not actually work for any employer, or in the activities of the same employer from day to day. A supervisor assigned in rotation from the union hall cannot be expected to be, or to want to be, a part of management. He has none of the powers or attitudes to enable him to be the Boss.

The picture of the issues in this occupation emphasizes the importance of the occupation of the so-called foremen in the mass-production industries. It was in these industries that most of the issues involving collective bargaining for foremen arose during the years 1945–47. The automobile industry is usually selected as the classic example of mass production and mass organization. It furnishes an appropriate and convenient example for this discussion.

It may seem that the modern automobile plant is the product of evolution from the job machine shop of forty years

ago. Most Americans are familiar with the story of Henry Ford and his production of the first Ford cars in his own typical machine shop. The development of the modern automobile plant was not, in fact, the result of evolution, but of revolution. The subdivision of work, the specialization and simplification of tasks, did not result in transforming the old machine shop into the modern assembly plant. They resulted rather in by-passing the old machine shop, and to a large measure, in by-passing the skilled machinist. Patternmakers, toolmakers, die-sinkers, and skilled machinists, all have their places in the modern automobile industry. Most of them can perform their tasks a thousand miles from the automobile assembly plant. They and their shops are found in large and small cities, with a high concentration in southern Indiana. The picture of the great assembly plant in Michigan bears little resemblance to the machine shop with its skilled machinists.

The essence of the mass-production technique is the separation of a complex skilled operation into a series of distinct operations. Each step in the series is simplified, and if possible, further subdivided and further simplified, so as to demand the minimum of skill. To an increasing degree, the simplified operations are mechanized, performed by a complex machine whose operation is so nearly automatic that the job of the operator is not complex but routine. The creation of the automatic machine naturally demands the exercise of the highest skills, but by a relatively small number of craftsmen, who are not necessarily located at the production plant. The operation of the battery of automatic machines requires little skill. The easy tendency to curse the machine age for this development of so-called robots, should be tempered by the realization that this development has actually created an incredible number of highly paid jobs which can be performed by millions of men who do not possess the skills or the abilities of the craftsman.

The picture of the job of the foreman in this mass-production industry is now on the screen. Because the individual jobs require relatively little skill, the supervision of the jobs correspondingly requires little skill. Because the plant employs ten thousand workers instead of ten, the hiring cannot be done by the so-called foremen. Because there are ten thousand workers with essentially the same status, the administration of discipline must be systematized and put on a mass-production basis. Not only the hiring, but the assignment, transfer, and promotion of individuals must be geared into a plant-wide plan. Because of the nature of the jobs of the wage earners, the responsibility of the supervisors for the training of individuals is infinitely less than in the skilled crafts. There is no such thing as a four-year apprenticeship for the occupation of tightening bolts or spray-painting bodies. The supervisor in such an establishment has very little of the status of teacher, trainer, and guardian, which is still essential in the craft occupations.

The very size of the mass-production plant requires a complex organization for the contacts between the employer and the worker. The foreman in such a plant is no longer the sole channel of contact between the employer and the wage earner. He is the channel for a very few contacts. He finds himself "supplemented" or apparently handicapped or bypassed by a growing number of other channels. The personnel officer, the safety supervisor, the timekeeper, the attendance supervisor, the welfare worker, the training supervisor, the company grievance adjustor, the recreation supervisor, and many other functionaries are dealing with specialized phases of employee relations. Where the foreman in the construction or printing trades is actually the Boss, the foreman in the mass-production plant is likely to find himself in a very dubious position, about which one fact is outstandingly clear: He is not the Boss.

The personnel man selects his workers, and frequently

denies him the right to get rid of an undesirable worker. The safety supervisor frequently bosses and belabors the so-called foreman. The training supervisor delivers to him ten boys who have just graduated from the three-weeks course in the vestibule school. He also sends a formal note to the foreman designating four men who are to report next week for another course in the training department. The foreman even receives orders to report personally for a course in which some trainer will teach him the elements of "How to Get Along with Workers," or "How to Maintain Discipline in the Upholstery Shop."

This kind of supervisory job is one product of the mass-production industries which was never planned. It bears little resemblance to the traditional job of foreman. If an establishment is large enough, the number of these so-called foreman jobs creates a "mass" of its own. There was a dramatic lesson in the 1947 strike of foremen in one automobile plant. The number of foremen who joined the strike in that one plant was reported at more than 3750!

Perhaps top management in the mass-production industries will be able to convince the so-called foremen, by the force of logic or of something else, that they are part of management, that they are not employees, that they do not need and cannot have the facilities of collective bargaining. Perhaps top management will be able to enrich the content of the job and improve the status of these so-called foremen so that each of them will, in the eyes of fellow workers, become the Boss. If this result is accomplished, it will be through a long and expensive process. Perhaps it can never be accomplished. Perhaps it is inevitable that a group of hundreds or thousands of supervisors in one plant, enjoying essentially equal status and facing essentially the same problems, are going to resort to organization and collective bargaining.

So what? The critical question for American industry is not whether foremen are going to bargain collectively or not.

Their status has been fixed by collective bargaining in tens of thousands of establishments since before the beginning of this century. Whether it is or is not fixed by collective bargaining in the mass-production industries hereafter, the critical question will still be unanswered.

That question involves considerations which are far beyond the scope or reach of collective bargaining. It involves an understanding of the enterprise by the so-called foreman. It involves his ability to identify the stake of the average worker in that enterprise, and in the enterprise system. It involves his equipment to be a leader of his fellow workers. It involves responsibility for fair treatment, guidance, friendliness, and sincere personal interest in men, which cannot be written into collective bargaining agreements.

The unionization of foremen is an arena in which management has probably expended too much of its energies dealing with symptoms and symbols, and too little of its energies in dealing with the factors which are beyond collective bargaining.

One of the trends in the thinking of top management in relation to its supervisory personnel may be the source of a new problem and a new trouble. Over the past twenty years, students and experts have been emphasizing the new character of the supervisory job. They have pointed out that manual skill and technical knowledge can no longer be accepted as evidence that the senior craftsman is qualified to be the junior foreman. They have highlighted the function of "leadership," and shown us that the factors of leadership are not usually acquired through the long use of tools or through mastering a knowledge of physical facts. We have been forced to realize that understanding a micrometer or a gauge to measure tensile strength does not qualify one to understand men and women.

A long and growing list presents the new qualifications required for the "new content" of the supervisory job. Most

of these qualifications are unrelated to the content of the jobs being supervised; most of them relate in some way to the newly discovered responsibility for "leadership." That there is new content in the average supervisory job cannot be denied, but it can be overemphasized. It is a mistake to overlook the fact that the good foreman of 1910 had to be a leader, had to have some ability to understand and judge and select people, had to have a lot of ability to get along with people.

It is possible, and in some cases apparent, that management has been oversold on this "new content" of supervisory jobs, that it has assumed that new responsibilities were necessarily new in character. Many of the demands on the abilities of present-day supervisors are old in character but new in relative importance, new in the methods through which they must be met. There are some illustrations of confusion in the thinking of management, in drawing a sharp distinction between the old qualifications and the new. It has been assumed that the old requirements of skill, technical knowledge, common sense, and natural leadership ability are entirely unrelated to such new requirements as technical and economic knowledge, emotional stability, applied psychology, and mastery of procedures for induction, training, discipline, personality adjustment, and the rest of the list.

The assumption that the new content of supervisory jobs calls for a new type of supervisor was one major influence in creating the trend which we are discussing. Another influence was the fact that natural prospects for supervisory jobs, if selected in the traditional way, would have to be drawn from the membership of the rank-and-file union.

Whether the new qualifications required of supervisors were discovered or merely recognized, management had two courses open to it. One was the cautious and intelligent selection of prospective foremen within the working force, the provision of advanced training for the responsibilities of

supervision, and the continued development of present and future supervisors through conference and participation in studies of their own problems. The other was the selection, outside the employee group, of supervisors who had been academically prepared in the new qualifications and techniques required of a supervisor.

The new trend which is creating a new problem is marked by the tendency of a considerable section of management to build the new supervisory force for the new supervisory jobs out of men who have been trained in college for what seems to be the new pattern, instead of those trained in the shop for what seems to have been the old pattern. Perhaps no one has gone the full length of requiring the Ph.D. degree for the job of foreman of the casting shop, or a Master of Business Administration to be foreman of the shipping room. Thousands of employers have approached the position of requiring a college degree for any supervisory job, sometimes a technical degree related to the job, such as electrical engineering for the job of chief electrician, sometimes a degree in an abstract field as evidence of fitness to "handle men" in any department.

If this trend continues, it may have serious results. It obviously increases the gap between rank-and-file employees and management. It obviously limits the scope of the ambitions of men who work for wages, and who see the ultimate opportunity for promotion closed to them. It introduces into the management chain a group of people who are unfamiliar with the attitudes and problems of workers, and practically unfamiliar with the policies and attitudes of management, even though the group may be familiar with the whole theoretical field of organization, administration, and industrial psychology.

While the selection of supervisors may be emphatically beyond the scope of collective bargaining, this trend toward the selection of supervisors from outside the establishment

may easily bring the problem into the scope of collective bargaining. Almost none of the unions in the manufacturing industries have attempted to negotiate on the employer's method of selecting supervisors. But many of these unions will not willingly accept a new order in industry which sentences the wage earner to remain a wage earner forever. Management may do an injury to our economic system by moving too far along in this new trend. By the same reasoning, it may strengthen the structure of good industrial relations, and reconcile that structure to the traditional story of the Land of Opportunity, by finding its new supervisors among its present employees.

XIX

THE PUBLIC INTEREST

PUBLIC dissatisfaction with many activities of labor unions was evident during several years before the entry of the United States into World War II. The objectionable activities were those which interfered with rights of individual workers, those which imposed arbitrary conditions on employers who were frequently not involved in any dispute, either with their employees or with a union, but most emphatically those which penalized the general public which could do nothing about the dispute itself.

As American industry moved gradually into the defense program in 1940, a new and definite meaning was given to the phrase "public interest." The people of the nation had been led slowly to the realization that Axis victories were not merely victories over the nations fighting the Axis, but victories over the ideals of individual personality by which America lives. Public opinion increasingly approved the various forms of aid to the nations opposing the Axis. "The Arsenal of Democracy" became a phrase expressing this approval. The subversive interference during the Soviet-Nazi alliance was generally resented; the fact that no cure was found gave the resentment a flavor of frustration and anger.

The invasion of Russia by the Nazis suddenly brought the interests of one group of "subversives" into harmony with the desires of most of the American public. The leaders of some unions which had retarded the aid program, changed front and urged their members to "hit the ball." Their appeals went largely unheeded. The result was to direct public resentment against such unions for the actions of their members, where it had formerly been directed against the union leaders for their apparent international political motives.

But the national public interest was also outraged by another interference which had no history or suggestion of foreign influence, an interference which arose directly out of union practices and policies. Irresponsible strikes delayed the construction of army camps, depots, warehouses, shipyards, aircraft and munitions plants. Thousands of men drawn to training camps were forced to wait weeks for their barracks because of an argument over who should erect the poles for telephone lines. Picket lines stopped construction on entire projects over minor jurisdictional disputes. Even when the work stoppages concerned wages instead of union politics, the public was generally impatient. A disagreement over five cents an hour was not considered good ground for weeks of delay in the production of fighter planes or cargo ships.

Pearl Harbor changed the scene again. Most international unions did heroic work in persuading their members to continue at work, even under conditions which they would not tolerate in peacetime. Stoppages due to jurisdictional disputes were almost eliminated. Opposition was frequently replaced by full co-operation where it had retarded programs of work simplification, job dilution, and emergency training. Union officials abandoned their usual duties to serve their government in recruiting workers, promoting worker co-operation, organizing labor management committees, adjusting disputes, and avoiding work stoppages. Thousands of national and local union officers served in uniform and won the thanks of a grateful nation.

In spite of the loyal co-operation of almost all union officials and union members, unions did not win a high degree of public favor and confidence during the war years. At a time when any strike was treason, there was always a strike on the front page. The fact that the time loss was an insignificant fraction of the total time worked was obscured by the publicity given, and properly given, to those strikes which did occur. A public which is engaged in a desperate war effort

may tolerate treasonable profiteering and treasonable inefficiency because they are not so obvious in the midst of the war activities. It is in no mood to condone treasonable strikes.

The best advertised attempts to sabotage the aid program while Russia was Hitler's ally were classed as subversive and political, and did not provoke public indignation against unions generally. The interferences during the six months before Pearl Harbor fed a growing resentment against unions, as unions. The relatively few and insignificant strikes after Pearl Harbor aroused almost passionate indignation against unions, so great that it obscured the overwhelming prevalence of loyalty throughout the union memberships and union official levels. The actual earnings of many war-production workers and the even greater earnings reported by irresponsible gossips supplied more material to rationalize the widespread criticism of unions.

The period after V-J Day found the leaders of many important unions anxious to retrieve lost ground, not in public esteem, but in the very objectives which had already disgusted the public. Subversive tactics appeared again. Political objectives were broadened to include invasions of management by union political leaders. Wage demands became so extravagant as to shock most newspaper readers. Major strikes seemed to be aimed directly at the reconversion needs of the nation. In spite of the advice of conservative leaders, the radical measures were adopted by unions of all labels. The public was disregarded by CIO electrical, steel, and auto workers; by AFL coal miners, and by independent railroad brotherhoods. Following the passage of the relatively mild Labor-Management Relations Act of 1947, union leadership further antagonized the public by extravagant denunciation of the alleged "Slave Labor Law."

The Taft-Hartley Act marked the legislative expression of public sentiment which had been growing steadily for eight or nine years. It was appearing in the opinion polls before

we launched upon our defense program. It fed upon additional provocations during the period of "the Arsenal of Democracy." It became somewhat hysterical when it had little real provocation, during the war years. It rolled into the tidal wave which produced the Taft-Hartley Act. It continues at full flood, and has even grown in the opinion polls, despite the clamor and complaint of some labor spokesmen.

The fact that the Labor-Management Relations Act of 1947 was designed primarily to curb the excessive powers of labor union leaders should not cause us to lose sight of its deeper significance. It was the mark of public decision that the practices of collective bargaining had resulted in too many attacks on the public interest. There was obviously no general intention on the part of the Congress to curb labor unions as such, or even to curb union leaders, primarily in the interest of employers. The Taft-Hartley Act contains a number of provisions which will be handicaps and annoyances for well-intentioned employers. The obvious purpose was to limit those activities of union leaders and of unions themselves, and those practices of collective bargaining, which had injured the public. These acts and practices included not only strikes which deprived the average man of coal, electric power, railroad transportation, telephone service, and new automobiles. They included the activities which were related to price increases through excessive wage demands, slowdowns and feather-bedding. The public reaction was stimulated by a large group of activities related to abstract rights such as freedom of speech and free access to markets.

The Taft-Hartley Act should be viewed primarily as a rebuke to those who, in the processes of collective bargaining, had ridden roughshod over public interest. A little more history increases the significance of that lesson for the average employer. Basically, the Taft-Hartley Act was demanded by the public because the Wagner Act and its administration and interpretation had placed too much power in the hands of

unions and union leaders. But it is important to look back objectively to the equally emphatic public demand which enabled the Wagner Act to become law.

Just as the Taft-Hartley Act was stimulated by injuries to the public interest through collective bargaining, the Wagner Act was stimulated by injuries to the public interest through the lack of collective bargaining. The popular vote which elected the Congress that passed the Taft-Hartley Act was no greater, no more emphatic, than the popular majority which elected the Congress that passed the Wagner Act, and the Wage and Hour Law, and the Walsh-Healy Act. Those laws were essentially expressions of public protest against the fact that employers had seriously disregarded the public interest. They were the first successful attempt to establish the fact that the public interest is dominant in questions of wages, hours, and working conditions, not only on interstate railroads but in every employment which affects interstate commerce.

If a few labor unions and union leaders had not injured the public, there would have been little public support for a Taft-Hartley Act to protect the interest of employers, even when that interest was unfairly damaged. If a few employers had not injured the public interest, there would have been relatively little support for the Wagner Act and its associated measures. The public moved to protect its own interest against those injuries which resulted largely from the lack of collective bargaining. It moved again to protect its own interest against those injuries which arose out of the misuse of collective bargaining. Slowly but surely it will always rise to protect its own interest, as long as it has a government that is responsive to the public will.

The immediate lesson from the Taft-Hartley Act should be that irresponsible union activities, under the guise of collective bargaining, must not injure the public interest. The second and obvious lesson is that the activities of employers

in collective bargaining, under the new rules established by the Taft-Hartley Act, must not injure the public interest. The third and more difficult lesson is that the relations between employers and employees, beyond the scope of collective bargaining, must be conducted in a manner which not only does not injure the public interest but gives positive attention to the promotion of the public interest.

If employers and employees and union officers do not conduct themselves in accordance with this third lesson, the cure will be more law. More law is likely to mean less collective bargaining and more government dictation in employer-employee relations. This is a cure which most employee spokesmen and almost all employers do not want. Two real courses are open if it is to be avoided.

First, in the light of lessons one and two described in the preceding paragraphs, employers, employees, and unions must conduct every step in their collective bargaining relationships as if the public were represented at the bargaining table. The stubborn attitude of either side which will deprive the public of goods or services that it needs must be compromised before the public is hurt. The temptation to concede a wage demand merely because the increased cost can be passed on to the consuming public must be resisted by management. The pressure for a wage increase which will force a higher price upon the public must be withdrawn by the union which has a decent respect for public opinion. The daily grievances and complaints, and the daily irritations which arouse the complaints, must be promptly adjusted in recognition of the fact that the primary purpose of the enterprise is to supply goods and services to the public.

That course of action lies within the scope of the collective bargaining relationship. The second course of action lies beyond collective bargaining. It is a more difficult course. The obligation to follow it rests much more heavily upon the employer than upon his employees or their union officers.

It is the course of conducting the relations of every day, which are outside the scope of collective bargaining, with such respect for the public interest that there will be no necessity for another expression of public indignation.

One of the earliest problems of industrial employment in which the public took a direct interest was the promotion of safety. Most of the existing laws regulating safe working conditions and providing for compensation of injured workers are necessarily state laws. They are being amended from year to year. It is incumbent upon employers to go far beyond the compulsion of law in providing safe working conditions and in enlisting the willing co-operation of employees in working safely. The public has declared its interest in this field. An intelligent observance of that interest is an additional reason for plans, expenditures, education, and unceasing alertness.

Another field in which the public interest has been emphatically expressed in law, is that of working conditions and working hours for women and minors. Here again, the obligation rests upon employers to work beyond the law for the achievement of the conditions that the public will has demanded, rather than merely to comply with the laws that the public will has enacted thus far.

The public has not yet expressed its interest through laws dealing with the extent to which employers share information with their employees. It is relatively easy to recognize that this field has a bearing upon the interest of the public. To the extent that a frank sharing of information builds better employee relations and produces more stable employment and production of goods and services, the public is interested. To the extent that intelligent sharing of information makes it possible for employees to be better informed citizens, the public interest is involved. The employer who makes an intelligent advance in the direction of sharing information with his employees is removing a possible cause for legislation which would have

been unthinkable twenty years ago but which is now entirely possible. The demands of union leaders to "see the books" in 1945 and 1946 received more than passive support from high officials of government. The failure to share information wisely invites legislation to create bureaucratic procedures for extracting hidden facts from the employer, for the information of his employees and of the general public.

The public has mildly expressed its interest in the selection of new employees. The expression is found partly in federal and state laws dealing with the free employment service. The relationship between that service and the payment of unemployment compensation claims increases the public interest in employment procedures. Expression of a different and secondary public interest is connected with the enforcement of the Wagner and Taft-Hartley Acts, in the administrative efforts to identify and prohibit discrimination in the selection of employees, because of union activities or affiliations. A relatively short swing of the pendulum from full employment to measurable unemployment will bring to the front the public interest in the way in which employers select and hire their new employees. The existing conditions offer employers both opportunity and time to revise their procedures of recruiting and selection in such a way that they will obviously fit the requirements of the public at large.

A corollary to this responsibility seems to be important. It is that employers generally, and particularly large employers, cannot confine their selection of new employees to those who are obviously better than the average; better in skills, intelligence, physical fitness. The public interest demands that a way be found to use the services of the average and less-than-average member of the work force, in fact, of every member of the work force who is not to be classed as unemployable. A large industry or a large employer has a public duty to organize his operations in a way that will contribute to the objective of jobs for all kinds of workers.

America thus far is depending upon management to create job opportunities for the whole work force of the nation.

The specialization and simplification that have resulted from mass production are frequently regarded as developments that have lowered the average demand for skills and abilities. Viewed in the light of this problem, they should be hailed as steps by which industry has been able partially to meet the social objective of creating jobs which anyone can fill. They represent important contributions to full employment.

It is highly important that private employers recognize this obligation to the public interest, and plan their operations in such a way that there will be opportunity for every reasonably employable member of the work force. If this is not done, the public will not trust to private employers the function of using and selling the services of the total work force. The public interest may well express itself in the creation of public enterprises for the employment of those who are considered below average by private employers, those whose services call for extra planning and even extra cost if private industry is to use them.

The public has expressed its interest in the function of training workers and supervisors. Thus far the expression has been in the form of constructive help through the federal apprenticeship program, state apprenticeship councils, vocational training, adult education, and special courses for foremen and supervisors. Enough has been done to emphasize the fact that the public is concerned in the question of whether employers do a training job. Up to date, the response of employers to these constructive measures has not been such as to encourage the public to stop with the steps already taken. Beyond the scope of collective bargaining, but in harmony with the collective bargaining relationship, employers have still the opportunity to perform the function of training their employees. Employers generally will be wise to seize this op-

portunity and do a constructive job, before the public interest insists upon substituting public control of training for the private control which has not met the need.

The discussion of the actual or potential public interest could be carried through the entire scope of the employer-employee relations which are today beyond collective bargaining. It is unsafe to assume that there is any such phase which does not affect the public interest sufficiently to justify legislative action. Those relationships which have been brought within the field of collective bargaining have already been made subjects of legislation, because employers and employees did not find the will and the way to conduct those relationships in the public interest, without legislation. Both labor and management are under orders today to conduct their collective bargaining relationships with greater respect for the public interest. They are under an obligation, which has not yet become a mandate, to conduct their relations outside the field of collective bargaining in ways that will serve the public interest.

CONCLUSION

COLLECTIVE bargaining is primarily a negative influence in the relations between employer and employee. Its positive results are found in the agreements by the employer to pay certain wage rates and certain premiums for undesirable or irregular assignments of work. There are usually commitments by the union to co-operate in certain areas of recognized mutual interest. Beyond that, the ordinary collective bargaining agreement is a long series of negative provisions. There are usually pledges by the union to avoid or delay any interruption of work. But most numerous are restrictions upon the actions and privileges of the employer. There are limitations upon his right to assign work, to hire employees, to discharge employees, to discipline employees. There are restrictions upon his authority to arrange working schedules, to promote employees in accordance with his own judgment. There are restrictions upon his authority to adopt shop or office rules, and further restrictions upon his authority to enforce even those rules which have been adopted by mutual agreement.

Many collective bargaining agreements include honest recognition of the mutual interest of employees and employers in the efficient and economical operation of the business. None of them has ever directly created the will to work efficiently and co-operatively. They may clear away obstacles to co-operation. They may cure conditions which have generated resistance to co-operation and efficiency. But they do not in themselves generate efficient work by individual employees.

Under normal business conditions, efficient co-operation by employees is essential to the success of the enterprise, and to the preservation of the jobs of those employees. A capitalistic economy permits a private enterprise to exist solely

for the purpose of rendering services and supplying commodities which the public wants and is willing to buy. If an enterprise cannot operate at a sufficient level of economy and efficiency, the owners and managers cannot sell the goods or services which it produces. The sale of those goods and services is actually the sale of the work of the employees in the establishment. Both the business and the jobs which it involves will disappear, where management is unable to enlist the willing co-operation of those who work for wages, in the efficient production of the goods and services.

For nearly a generation, management has retreated slowly from the position that its ability to achieve this efficiency depended upon freedom from the restrictions of collective bargaining. Management once insisted that the scope of its job included the determination of proper wage rates, with primary consideration to the sale of the goods or services which the establishment produced, and secondary consideration to the personal needs of the workers. This did not imply a disregard of the needs of the workers, but assumed that those needs were best met by those decisions of management which kept the cost of the product down to a level which permitted its ready sale. The consideration for the individual was expressed in the maxim that more jobs at lower wages were better than fewer jobs, or no jobs, at higher wages.

Management has been partly driven, and has partly led itself, to these conclusions: Collective bargaining is a permanent feature of employee relations, as long as we can maintain our present free economy. The necessary efficiency must be attained in a setting which includes collective bargaining. Collective bargaining can be either an obstacle or a help in the achievement of efficiency.

But management is today facing the recognition that its relations with its employees cover a vast territory which is still outside the scope of collective bargaining. Some managements have devoted their efforts to building sound relations

with their employees in this vast territory. Others have devoted themselves to defending that territory against any further extension of the scope of collective bargaining. The most progressive managements have found it possible and desirable to share the responsibility for these relationships with the same agencies which represent their employees in collective bargaining. They have found it possible to do this without confusing the relationship covered by the union agreement with the relationships which are maintained through co-operation rather than contract.

The concept of areas beyond collective bargaining includes several distinct attitudes. Every employer must prepare himself to go further than he is obliged to go by his contract with any union. He may have reached the contract relationship through his defeat in a bitter struggle against unionization. He may have reached it through his willing recognition of the right of his employees to organize and to bargain with him as a group. No matter how he reached it, he must go on to the mental and emotional decision that his employees have not insulted him by forming or joining a union. He must go on to the recognition that the leadership which has emerged, to become the officers and committee members in the union, is actually or potentially the real leadership among his employees. He must go on to the demonstration of this belief by a showing of confidence in that leadership, a showing which will make those leaders act so as to be worthy of his confidence.

The employer who is to create positive and dynamic co-operation throughout his employee group must share his ideas, his hopes, his plans and his problems with those employees. He must learn the difficult lesson of doing this sharing in such a way that his attitude conveys no suggestion of belittling or by-passing the officers or the organization which his employees have chosen to represent them, within the field of collective bargaining. He must invite the same union of-

ficers who have argued with him across the bargaining table to discuss his other problems and plans, to convey his thinking to the members of their unions, and to convey the thinking of their members to him. He must not only accept but solicit their help in the improvement of working conditions which he definitely believes are not proper subjects for inclusion in a collective bargaining contract. He must seek their understanding and help in the promotion of safe working conditions, and in the release of employee ideas for improvements of the plant, its methods, and its processes.

He must be willing to do those things which are within his power and which are for the benefit or comfort of his employees, but which he is in no sense obligated to do by his contract with the union. He must learn to do these things in such a way that they do not suggest the impotency or inadequacy of the collective bargaining process. He will be wise rather than smart, to the extent of trusting the leadership of the union with his plans to inaugurate these improvements. If he is prepared to initiate a company-wide retirement plan, or sick-benefit plan, or hospital insurance plan, he will be wise enough to win the understanding and co-operation of the union leadership, rather than to present the plan to his employees with a motion which suggests that the employer can do more for them than their collective bargaining machinery can do.

The employer must go beyond the obligations which have been forced upon him by collective bargaining. He must enlist the leadership of the collective bargaining unit to go with him into this territory beyond collective bargaining. He must share with them the responsibility for developing a great variety of activities, customs, and attitudes which contribute to the "good of the order."

In the days of employee representation plans, many sincere employers led the way in building this type of relationship. Obviously, they did it more willingly because their

employees had not acquired the power to force them to bargain collectively. Many of those same companies have sincerely and wisely continued the relationship, even after they have bargained collectively with their employees on wages, hours, and working conditions, through unions which are powerful in their own right.

Some of these companies described this relationship, beyond collective bargaining, as "collective dealing." That term probably does not fully describe the full relationship which must be accomplished, in the interest of the employees, the employers, and the general public.

Beyond collective bargaining at any given time there is a long list of subjects, a vast area of activities. By their nature, they cannot be effectively handled through the process of collective bargaining. At the same time, they need the understanding and co-operation of employees. Much of that understanding and co-operation must be organized and collective, as well as individual.

Beyond collective bargaining in time, beyond the present era of the painful development of the collective bargaining process, there is to be a period during which the whole area of employer-employee relations must be first stabilized, then made creative and dynamic. It is to be a period during which employers and organized employees will find ways to co-operate, based on a recognition of mutual interests and upon the creation of mutual desires. It will create its own procedures for achieving this organized co-operation, and the organized understanding which will go with it. It will mark the broadening of the thinking of working men toward a fuller understanding of their stake in the freedom and material welfare represented by the American system of profit and wages, investment and secure employment.

This era, beyond collective bargaining in time, cannot come until there has been wholehearted acceptance of collective bargaining by employers, and wholehearted recogni-

tion of the subjects which must remain outside collective bargaining, by employees. Surely we should be ready to close the era which spans the development of collective bargaining. Surely we should be ready to enter the next stage of the evolution of employer-employee relationships. It should be possible and desirable for employers to demonstrate the first readiness to advance into this new stage. It is almost necessary for them to do so, because they have been responsible for much of the delay in reaching the firm establishment of collective bargaining practices. The first advance into the new stage by employers should be an influence toward co-operation in the evolution. The next stage cannot be characterized by the conflict which has marked the present period of the rise of collective bargaining.

When employers, singly and in groups, are ready to propose this next step, what will they propose? They cannot successfully ask co-operation of employee representatives toward objectives which have been predetermined by employers. They cannot hope to convince employee representatives that the objectives chosen by the employer alone are necessarily good objectives for the employees. Difficult as it may seem, they must begin by seeking co-operation in the selection of the objectives, before they can successfully ask for co-operation in the achievement of the objectives.

The evolution which they will ask for is one in which the ideas and influences of employees, expressed through their own organizations and their own representatives, will be made effective in areas which are the traditional prerogatives of management, areas which could never safely be subjected to the pressures and politics of collective bargaining. These will be areas in which the employee interest is real, but in which it must be measured by the results of years to come rather than by the wages of today. They will be subject fields in which employee attitudes have been frequently unsound and shortsighted, largely because they have had no oppor-

tunity to see the potential future developments, and the long-range results of present moves.

In short, management will share its long-range plans and hopes with employees. It will seek not only their understanding, but their advice. It will demonstrate respect and consideration for the advice from employees and their representatives. Management will admit its joint responsibility, with the employees, for the interest of the employees, the investors, and the general public. Because it has the direct responsibility to the investors who have furnished the physical plant, management will retain the responsibility to make decisions. If it succeeds in releasing the full potential of the new relationship, it will have the understanding support of employees in its decisions, rather than the reluctant compliance which has been so characteristic of the past years.

What is this new relationship, beyond collective bargaining in time? Collective dealing is not an adequate description of it. Industrial democracy suggests machinery rather than attitudes. Could it be called collective planning?